

### **CONTENT**

Foreword	3	Risks and Measures According to Actionable Areas	2
Highlights From 2024/25	4	Climate Protection	2
Transparency and Communication	8	Enviromental Protection	33
CSR Strategy – deuter Promise	8	Animal Welfare	4!
Our Duty Within The Supply Chain – CS Triple D and ESCA	10	Employees	46
Initiatives and Partnerships / Stakeholder Engagement	11	Customers	6
Business- and Procurement Practices	15	Society	6
Risk Analysis	24	Making CSR Evident for Customers	63
OECD Guidelines & OECD Sektor Risks	24	Appendix	65
Why we need Risk Assessments	25	deuter Code of Conduct, Whistleblower System & latest Reports	65
Methodology	26	Abbreviation used in the Text	6
Results	26		



### **FOREWORD**

Dear deuter family, customers, and business partners,

This past year has shown us just how important it is to have direction and to stick together — particularly when established ideas begin to crumble and we have to seek out new approaches. For us at deuter, it has been a year of transitions, marked not only by challenging situations but also by important decisions that will shape us as a brand.

We have acted responsibly – toward our supply chain, by keeping production lines busy at our manufacturing partner Duke's factories to secure jobs. Even though decisions such as these do not appear in conventional sustainability classifications, they reflect what defines us.

At the same time, we've actively been driving change, with new photovoltaic systems at our headquarters and in Vietnam; investment in more sustainable local production; and real progress with product accountability.

Similarly, we are continually analyzing our carbon footprintalong the entire value chain. Our commitment to the UN's \*Race to Zero\* initiative strengthens our resolve to cut emissions and helps us view our responsibility on a global scale.

We follow all the latest political developments closely, like the EU Supply Chain Directive, and are convinced that our deuter Promise and the German Supply Chain Act will put us in a good position to meet the challenges coming our way.

Our Repair Service is another example: with almost 6,000 back-packs repaired to date, we are making a direct contribution to the conservation of resources and extending the usable lifetime of our products. In selecting materials, we continue to prioritize social and environmental responsibility – the proportion of fabrics that are bluesign®-certified is already 89%, which is higher than the goal we set for 2025.

But change doesn't happen overnight. Each step we take however, is a step in the right direction. And we are doing it together with people who believe in responsible practices. With partners who work with us. And with the courage to stick to our convictions, even when times are tough.

Thank you all, for your dedication, your faith in us, and your willingness to take these steps together with us.

Yours sincerely,

Robert Schieferle

deuter CEO

### HIGHLIGHTS FY 2024/25



**IRACE TO ZERO** 



61%

**BLUESIGN®** 

textile waste

Through improvements in the bluesign® supply chain



89%

of the

**MAIN FABRICS** 

we use are bluesign® certified



WE HOLD

GREEN BUTTON 2.0

CERTIFICATION





### **SOLAR POWER**

We are using renewable PV solar power at home and at our longstanding manufacturing partner sites

### DIGITAL COMPLAINTS SYSTEM

Lower down the supply chain in collaboration with



# GREEN FRIDAY With Patron Plasticfree Peaks



### **CARBON REDUCTION PROJECT**

We ware part of a global project to **REDUCE** CO<sub>2</sub> emissions



Supporting

**CLIMATE PROJECTS** 

with



# STATEMENT FROM DEUTER CSR & QUALITY MANAGEMENT TEAM



### CSR & QUALITY MANAGEMENT & REPAIR SERVICE

"The deuter Promise, developed in 2020 and supported by a robust strategy and implementation plan, laid the foundation for a fully integrated sustainability approach within our organization.

The low-hanging fruits on this tree have long been harvested, and today, CSR work has become far more detailed and challenging than it was a few years ago. To be successful and ensure we reach the higher-hanging fruits without missing any, it requires a dedicated team of enthusiastic specialists in various fields of action, along with substantial budgets to drive change and move forward. And—we have all of that! Thus, we will continue to uphold our promises and systematically reduce our footprint."

Marco Hühn - Head of CSR / Quality / Repair Service



### STATEMENTS FROM THE OUTSIDE



### **EUROPEAN OUTDOOR GROUP**

"deuter have been a key member of our Carbon Reduction Project since its inception and have demonstrated their commitment to the project through consistent involvement in all aspects, including decision-making, supplier outreach and cost sharing. As members of the pilot group since 2021, the subsequent 2022 cohort and the current 2025 cohort, they have proven how dedicated they are to addressing supply chain decarbonisation and renewable energy transition. Working closely with other brands on a long term pre-competitive collaboration initiative such as this requires trust, transparency, motivation and commitment to achieving a common goal, and deuter have exhibited all of these qualities and more throughout this process."

Dr. Verity Hardy - Sustainability Project Manager

### CARE

"At CARE Germany, our goal is to help people — especially girls and women — to improve their living standards.

Together with deuter and ORTOVOX, we are working to improve the working conditions of female textile workers in Vietnam. We really appreciate the open, direct communication we have with both companies, and the fact that our expertise is recognized and valued in Southeast Asian supply chains. This equitable partnership is characterized by mutual trust and a willingness to learn."

Bettina Ernst -

Corporate Partnership Manager, CARE Germany



### STATEMENTS FROM THE OUTSIDE

### **BLUESIGN® TECHNOLOGIES AG**

Working with deuter is both inspiring and impactful. As a brand, deuter is not only deeply committed to sustainable practices but often leads the way. Within the bluesign® community, deuter holds a special place. The organization and its team are incredibly important partners, offering a unique balance of embracing the benefits of the bluesign® System while remaining constructively critical and reflective.

I grew up with the brand—quite literally. And I might have been one of the first kids in Northern Germany to own a deuter hiking backpack back in the 1970s, when such gear wasn't yet popular in that region.

That early connection has stayed with me and seeing how the brand has evolved into a sustainability leader makes me proud. The deuter Promise is more than a report; it's a reflection of values - responsibility, innovation, and care for people and the planet.

Antje Fehling - Head of Brand Services



### PARTNERSHIP FOR SUSTAINABLE TEXTILES

"The members of the Partnership's **Digital Complaints Management and Capacity Building** initiative have taken steps over the last few months to foster effective complaints mechanisms further down in the supply chain. Collective complaints channels are generally limited to the cutting & sewing stage of production. Although important, this should not overshadow the significance of the downstream stages of production, as human rights violations can also occur here. Launched by brands, the initiative demonstrates that it is possible to establish complaints mechanisms and conduct awareness training further down in the supply chain."

Martha Scheifel -

Project Manager Complaints Mechanisms & Remediation

### **CLIMATE PARTNER**

"We are thrilled that from 2025 all deuter products carry the 'ClimatePartner certified' label. The label requires deuter to meet high standards in its reduction efforts and firmly embeds climate protection within the company strategy. As part of the certification process, deuter is also providing financial support to two carefully chosen climate projects over the course of several years, equivalent to its unavoidable emissions as they currently stand. This clear commitment shows how determined deuter is to reduce its climate impact. We are proud to be able to accompany such a committed company on its journey to achieving better climate protection."

Susanne Reinthaler - ClimatePartner Germany

### STATEMENTS FROM THE OUTSIDE

"Sure, your gear needs to withstand rough terrain, changeable weather and extreme conditions — but not just once, it has to be able to do this over many years. But what happens at the end of its usable lifespan?

As a member of the deuter Pro Team I have firsthand experience of how deuter develops its products. I test their prototypes in real-life situations and give them feedback. I'm really impressed with the way deuter looks at the sustainability of its products from the get-go — from choice of materials to design, throughout the whole process.

It's not just about developing performance gear, but also about responsibility. It's that attitude that makes the difference for me and should be at the heart of any cooperation."

Thomas Kigle - Professional Snowboarder

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It's not ju about resence for Thomas K

"To me, sustainability is about durability. My deuter backpacks accompany me on my expeditions and mountaineering projects over many years. I've specifically chosen
each one of them for my projects and each one now tells
its own story. Which is why I find it particularly hard to
part with them. But of course, they see a lot of wear and
tear. Which is why I'm so impressed with the deuter
Repair Service. They can fix a whole host of issues.
And then it gives me such joy to be able to carry on using
my favorite old pack again."

Alix von Melle - High-altitude mountaineer



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"As an athlete, using deuter products and representing them also means backing deuter. Which includes their sustainability-focused approach across the board. The materials they use (bluesign®), as well as their goal of 100% recyclability, the whole company environment, as well as the durability and therefore lifespan of their products. The latter, in my mind, includes repairability and their in-house repair service. Repair a faulty product instead of selling people a new – that goes beyond kindness. And me, I'm still loving my current set-up – all fixed with a new zipper. Thanks deuter!"

Professor Thomas Schmitt - Mountain Biker

"I'm happy to collaborate with a company that's serious about sustainability.

Before deuter, I often experienced backpacks that would break so quickly — which is frustrating and such a waste, when they end up in the garbage. As a yoga instructor and professional biker, I'm on the move a lot, outside, and I try to live what I teach on my courses: Being conscious and mindful of how we treat the planet's resources. And a backpack that's long-lasting and repairable is all part of it. In my opinion it's worth investing in quality. I take my backpack with me everywhere, every day, for my clothes, snacks, work things or shopping. And when such a personal piece of gear comes from a company that's responsible and not simply 'greenwashing', then I carry it with pride."

Timo Prietzel - Mountain Biker



### TRANSPARENCY AND COMMUNICATION

We want to be transparent to our customers and between ourselves, and to share information on our engagement, the challenges we face and the progress we are making. Starting as our annual Social Report in 2017, the Promise Report now covers more than social aspects but also includes environmental and supply chain aspects. In other words, the deuter Promise report encompasses our wide-ranging sustainability strategy.

Previous reports can be found here.

### CSR STRATEGY - DEUTER PROMISE

As part of our deuter Promise, we have embedded sustainable business and trade practices throughout all areas of the company. Because businesses play an important role in generating economic, social and environmental advancements. Particularly in an industry as complex as the textile industry, decisions that are made at a corporate level have fundamental and global consequences for people and nature.

The overall responsibility for implementing our human rights and environmental due diligence obligations lies with the management. CSR is an integral part of the regular management meetings.

In 2020, we revised the company's entire CSR strategy in a cross-departmental committee, consisting of the executive management, relevant department heads, and the CSR team, and turned it into a holistic, integrated plan with targeted, risk-based measures.

Since then, we've continued to refine our strategy to help us reach our ambitious sustainability goals and meet new challenges. The result is our deuter Promise.

Our vision for this is "Together for 360° Responsibility", which means we adopt a holistic approach to sustainability.

Corporate Social Responsibility spans all departments at deuter. Our sustainability goals form part of the strategy for each individual area of the company. All of our employees are obliged to

assist in the realization of these. Examples of this include our Design to Repair approach to product development and the use of sustainable packaging in our logistics department. At the same time, we can only achieve our sustainability goal by working together with our manufacturing partners. Which is why we set store in long-term partnerships, based on mutual trust and respect. By adopting this approach, we ensure that sustainability practices are implemented and improved throughout all processes and partnerships.

Within the categories of 'Planet' and 'People', we have established 3 actionable areas into which we consolidate our measures. For each actionable area we carry out a risk assessment.

Based on the UN's 17 Sustainable Development Goals (SDG)

we have developed quantifiable goals and defined time frames in which to achieve these measures (to our Actionable Areas).

A policy statement, the deuter Promise Policy, sets out the quidelines for our actions.

We will continue to focus our efforts lower down the supply chain and on strategies for a more circular economy as well as work hard to hit ambitious climate targets. Overhauling our climate strategy and joining the 'Race to Zero' is just one aspect of delivering on our promise.



### SUSTAINABLE DEVELOPMENT GOALS -INTERNATIONAL GOALS FOR A SUSTAINABLE **FUTURE**

The 2030 Agenda for sustainable development encompasses 17 global goals and 169 targets on a wide range of issues to enable people to live decent lives and to ensure the planet can continue to sustain all life forms. The SDG Barometer lists the SDGs that guide our actionable areas. Which of our measures contributes to the individual targets can be seen in greater detail here on the deuter website.

### THE 17 SUSTAINABLE DEVELOPMENT GOALS (SDGS) TO CHANGE OUR WORLD:





































To recognize, prevent or reduce any possible negative effects of our actions, we follow the OECD (Organisation for Economic Co-operation and Development) guidelines and those of the FWF (Fair Wear Foundation) for responsible business practices.

These organizations help businesses throughout the world avoid and manage the negative impacts of their activities, their supply chains and other business relationships in relation to employees, human rights, the environment, corruption, consumers and corporate governance.

### OUR DUTY WITHIN THE SUPPLY CHAIN -CS TRIPLE D AND ESCA

As part of the Schwan-Stabilo Group, deuter already complies with the requirements of the European Supply Chain Act (ESCA). And we are making progress toward meeting the requirements of the European Corporate Sustainability Due Diligence Directive (CSDDD), where this exceeds national laws. Both sets of regulations aim to improve and enforce human rights and environmental standards along global supply chains.

According to the so-called Omnibus Package, adjustments to the CSDDD are being agreed upon at a European level. Regardless of this, the German Supply Chain Act continues to apply in full to deuter.

We thoroughly approve of and welcome these legislative developments. They serve to reinforce the practices we have adopted over the years. Responsibility and sustainability are not new to us; they are already deeply embedded in the company's ethos and actions.

The deuter Promise has already prepared us well for this. It represents our wide-ranging obligations for social justice, fair working conditions and protection of the environment. It's a promise that is realized through various measures and initiatives along the entire value chain, with the aim of creating products that are not just functional and durable, but also ethically and sustainably made.

### 3D-CYCLE DEUTER DUE DILIGENCE CYCLE

To meet our due diligence obligations and to monitor and evaluate our business activities and actions at all times, we have set up what we call our '3D Cycle'. It is made up of the following six steps:

### **1.**DEUTER PROMISE POLICY

Responsible business practices are firmly anchored in our guidelines and management systems and documented in the deuter Promise.

### 2.

In it, we identify and assess potential risks that our manufacturing and business practices could have on human rights, workers' rights, and environmental concerns, that may affect us as well as our supply chains and business relationships.

### 3.

We then take measures, such as reviewing and adapting supplier contracts or introducing employee training schemes to put an end to, prevent or mitigate these negative effects.

#### 4.

We track the progress of any implemented measures and regularly monitor results so we can ensure that targets are being met.

5.

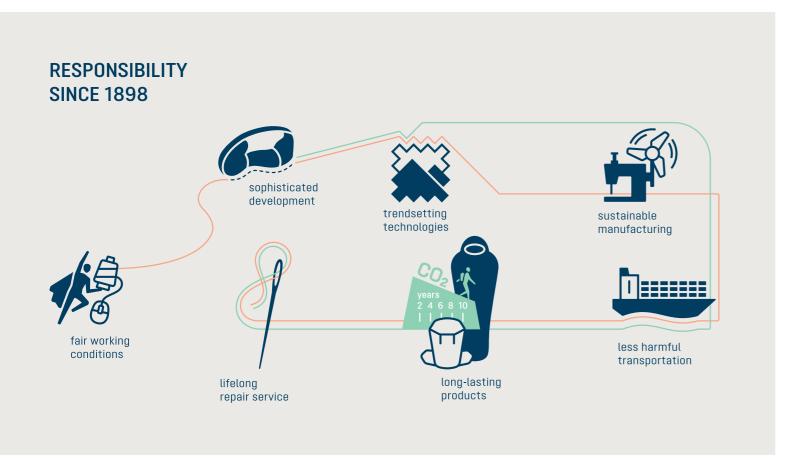
We communicate transparently about how we are dealing with any identified risks and impacts to inform stakeholders about our efforts, and we provide a full progress account in the deuter Promise report.

#### 6

We establish mechanisms or work together with stakeholders to come up with appropriate solutions to redress any adverse impacts.

**MONITORING OF IMPLEMENTATIONS** AND RESULTS MONITORING. **PROMISE REPORT** AVOIDING. ON DEALING WITH OR MITIGATING THE EFFECTS **NEGATIVE EFFECTS** FOR PLANET AND PEOPLE **IDENTIFICATION AND** ASSESSMENT OF NEGATIVE IMPACTS ON OPERATIONS. SUPPLY CHAINS AND **BUSINESS RELATIONSHIPS** WHERE NECESSARY, ARRANGE FOR OR TAKE REMEDIAL MEASURES

# INITIATIVES AND PARTNERSHIPS / STAKEHOLDER ENGAGEMENT



At the heart of our sustainability strategy is our responsibility toward people and planet that runs along the entire supply chain. We are supported on this path through membership of and collaboration with various organizations.

The graphic shows our key partnerships. deuter is also a member of the BSI (Bundesverband der Deutschen Sportartikel-Industrie – or German Sporting Goods Industry Association) and EOG (European Outdoor Group), both of which are industry associations that deliver training and conferences on CSR-related issues. You'll find information on other partners that have supported us over the years, <a href="here">here</a>. We particularly value the interdisciplinary nature of meeting with stakeholders from the public sector, NGOs, trade unions and industry to discuss important social and environmental issues and share best practices and experiences.

And deuter is a member of several initiatives and working groups that aim to develop solutions for CSR issues such as the payment of a living wage, grievance procedures and the reduction of Scope 1-3 emissions.

Standards like the Global Recycle Standard (GRS) or Responsible Down Standard (RDS) are also important for deuter when it comes to materials that offer special properties, such as recycled materials or down feathers. Since 2020, none of the fabrics used in our backpacks or sleeping bags have been manufactured using PFAS, which means we're helping to cut harmful substances in the environment.





















### PARTNERSHIP FOR SUSTAINABLE TEXTILES – UNITED FOR GREATER SUSTAINABILITY

We are committed to environmentally friendly, sustainable, and socially fair production of outdoor equipment. Since 2015, we have been working within the Partnership for Sustainable Textiles alongside other companies and organizations to make complex supply chains more transparent and fair. The Partnership was founded in 2014 by the German Federal Government and brings together stakeholders from business, civil society, and trade unions.

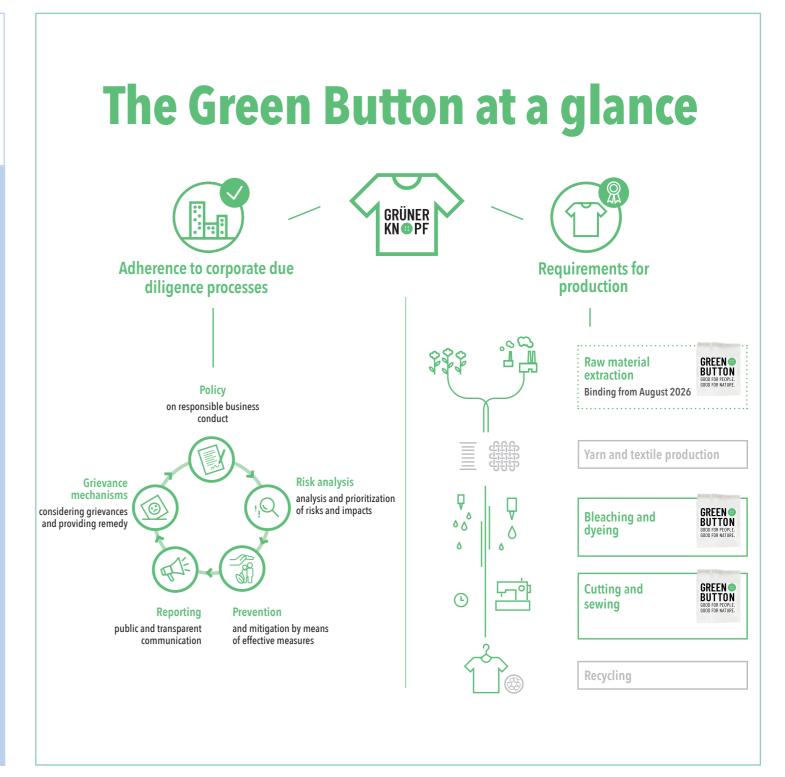
**Our goal:** to improve social, environmental, and economic conditions throughout our supply chain. Most recently, we participated in the "atlat project" aimed at establishing effective grievance mechanisms in the deeper tiers of supply chains.



### GREEN BUTTON FOR GREEN PRODUCTS

Since 2021, deuter has held the "Green Button" (Grüner Knopf) label, an international standard initiated by the German government. The Green Button sets mandatory requirements that businesses and products must meet to protect people and the environment. A Green Button seal indicates that products have met high social and environmental standards and that they come from businesses that adopt responsibility for their supply chains. The Green Button 2.0 version of the seal sets even more stringent requirements for companies and products. From the start of the 2022/23 FY deuter has achieved Green Button 2.0 certification. As a company, we are certified as Green Button 2.0 and our products are certified according to Green Button 1.0. It's another important step in preparation for the German Supply Chain Act.

<u>Watch this video</u> to find out more about the Green Button and why deuter decided to use this certification.



### GREEN BUTTON CERTIFIED PRODUCTS / COLLECTION \* Data rounded

\$\$2023 FW2023/24 \$\$2024 FW2024/25 \$\$2025 FW2025/26 \$\$2026 2026 target

17 %\* 17 %\* 30 %\* 35 %\* 39 %\* 42 %\* 41 %\* Increase the proportion of Green Button products to min. 90%/collection.



### **EUROPEAN OUTDOOR GROUP (EOG)**

As an active member of the European Outdoor Group (EOG), deuter is engaged in working toward increased sustainability and responsibility in the outdoor sector in Europe. Together with other leading brands, deuter is committed to promoting ecological standards, fair working conditions and futureproof supply chains. And deuter is also working on the EOG's Carbon Reduction Project (CRP) which aims to systematically reduce the carbon footprint of the outdoor industry. Our partnership with the EOG highlights deuter's longstanding commitment to social and environmental responsibility along the whole value chain.



#### **WORDLY / HIGG INDEX TOOLS**

deuter has worked with the Higg Index Tools since the 2021/22 financial year. They are a standardized calculation for the sustainability performance of businesses, manufacturers and suppliers, as well as products from the textile industry. The Higg Index helps companies make more informed decisions about the products they produce, reducing their quantifiable impact on people and the planet. At deuter, it is mostly the Facility Tools that are used for monitoring further down the supply chain (Factory Social & Labor modules, Factory Environmental modules). The Brand & Retail module is used to assess our own businesses practices. It helps establish options for improvement, measures progress and offers more targeted support to our manufacturing partners, for instance with the Planet & People Guidelines (Promise Policy).



#### **CLIMATE PARTNER**

Every EU citizen generates on average around 7 tons of  $\mathrm{CO}_2$  emissions each year — in some countries like Germany, that figure rises to over 8 tons. To limit global warming to less than 2 °C, and ideally 1.5 °C, that figure needs to be just 1 ton per person per year.

Energy-intensive manufacturing and global transportation of products means that industry accounts for disproportionately greater  $\mathrm{CO}_2$  emissions. At the same time, it means that with targeted measures businesses are in a good position to make an important contribution to reducing carbon emissions.

Which is why we work closely together with Climate-Partner, who specialize in calculating, reducing and offsetting  ${\rm CO}_2$  emissions and supporting climate projects worldwide.



### WE MANUFACTURES ACCORDING TO BLUESIGN® STANDARDS – FOR PEOPLE AND PLANET

Even the most conscientiously made outdoor equipment leaves behind an environmental footprint. At deuter, we want to keep that footprint as small and light as possible. That's why we have adopted the bluesign® system – the world's strictest standard for environmental protection, occupational safety and consumer protection in the textile industry – to guide us in our production. By using the bluesign® system, which deuter adopted in 2008, we aim to make our products and the entire production cycle progressively more resource efficient and more environmentally friendly. The proportion of bluesign®-certified fabrics used by deuter is steadily rising. 89% of our body fabrics are already bluesign® certified. *Find out about our progress and our target* here.

<u>In this video</u> we explain what the certification means and why it's so important to us at deuter.



### **RACE TO ZERO**

In line with the United Nations' Framework Convention on Climate Change (UNFCCC) Race to Zero, we have set ourselves a scientifically based climate target: the  $1.5^{\circ}$ C (the target established at the Paris Climate Agreement). Which means that by 2030 we will reduce our  $CO_2$  emissions and those in our supply chain by 42%, and by 2050 we will achieve a reduction of 90% and net zero emissions.



### RESPONSIBLE DOWN STANDARD - FOR THE LOVE OF ANIMALS

Even sustainable natural materials need to be produced in an environmentally responsible way. That's why, since 2015, we've exclusively used high-quality down that are Responsible Down Standard (RDS) certified for all our down sleeping bags.

To obtain RDS certification, the animal welfare and farming practices must be traceable throughout the entire production chain and meet the strictest requirements – from fledgling through to finished sleeping bag.



### ATLAT - COMPLAINTS MECHANISM LOWER DOWN THE SUPPLY CHAIN

As a digital complaints system provider, atlat combines a passion for digital software development with that of having social impact. Working with atlat, we aim to improve workers' rights lower down the supply chain and ensure they have access to effective complaints mechanisms.

We have worked together with atlat since 2020. Following an initial pilot scheme, the Digital Complaints Management and Capacity Building project (*Digitales Beschwerdemanagement und Capacity Building*), was successfully completed in July 2025. This was a collaboration between deuter, atlat GmbH, Ortovox Sportartikel GmbH, CARE Germany and the Partnership for Sustainable Textiles.

The project was rolled out with 9 material and fabric suppliers in Vietnam and empowered workers further down the supply chain to proactively assert their rights by learning to assess their working conditions themselves and giving them access to effective (anonymous) complaints mechanisms. On completion of the project, deuter and ORTOVOX decided to extend the collaboration with atlat for at least one year so that workers at our materials and fabric suppliers can continue to use the complaints software.

Find out more about the atlat project and their complaints system here.



### FAIRNESS FROM A TO Z – WITH THE FAIR WEAR FOUNDATION

deuter has been a member of the Fair Wear Foundation (FWF) for fourteen years, and this year was awarded Leader Status for the twelfth year in a row. It's a milestone in our efforts to achieve fair working conditions throughout the entire production and supply chain.

The FWF is a multi-stakeholder initiative that works together with brands and factories to improve working conditions in textile and garment factories, particularly on the ground in production countries. Recognition of our efforts confirms we're on the right path:

Our focus on long-established partnerships with one supplier per product group, Leader Status in the FWF Brand Performance Check since 2013, and the 2022 winners of the German Sustainability Prize for 'Global Partnerships' together with Duke.

### CODE OF LABOUR PRACTICES (COLP)



No forced labour



Freedom of association and the right to collective bargaining



No discrimination in employment



No child labor



Payment of a living wage



Reasonable hours of work



Safe and healthy working conditions



Legally-binding employment relationship

### WHAT DOES THE FEAR WEAR FOUNDATION DO?



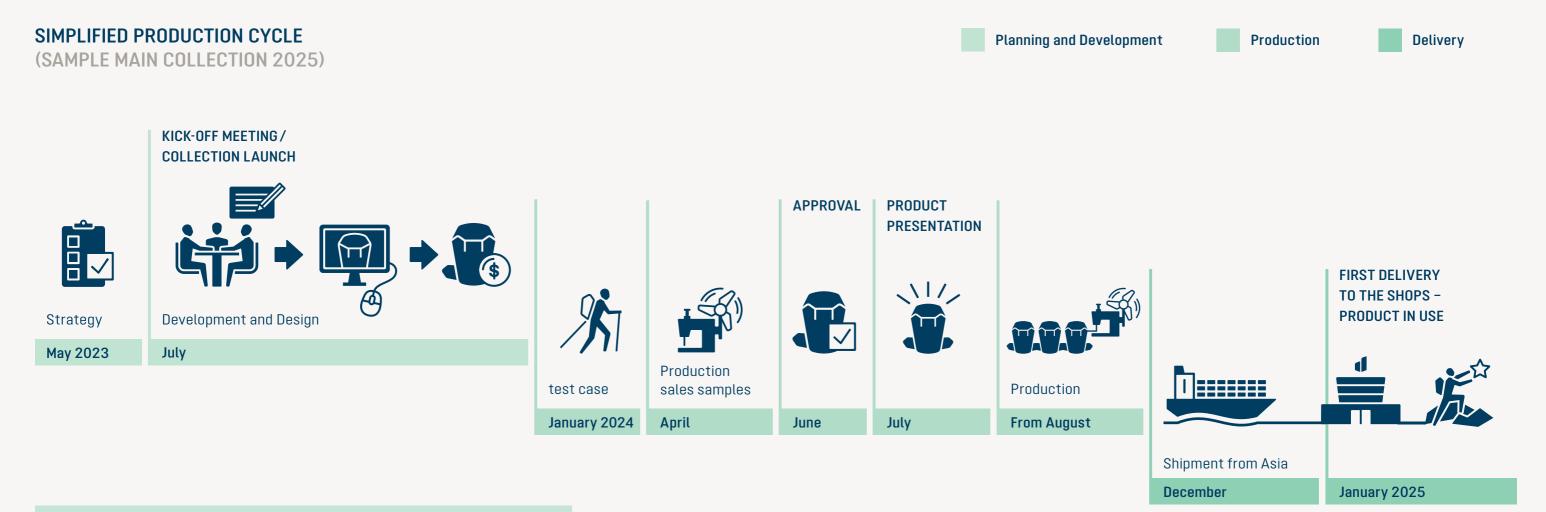
Checks that members respect human rights in their supply chains (implementation of CoLP)

Provides worker complaint hotlines in 15 production countries

Trainings & Stakeholderinvolvement

Checks the working conditions in factories

### BUSINESS & PROCUREMENT PRACTICES



### FROM CONCEPT TO FINISHED PRODUCT

deuter produces one main collection each year, plus a smaller winter range. The main collection is usually showcased in summer at the OutDoor by ISPO international sports trade show in Munich, Germany. The winter collection is showcased at ISPO in February. Each year, new products make up around one third of the collection. Bar minor adjustments or color changes, most products remain in the collection for a minimum of three years. A deuter classic like the Trans Alpine bike backpack, for instance, has been part of the collection for over 20 years now.

### PURCHASING PRACTICES

### LONG-ESTABLISHED TRUST

deuter sets store in long-term partnerships based on trust and mutual respect. This helps us foster high levels of motivation, creativity, quality, and reliability – right from our headquarters in Gersthofen through to our retailers and, of course, our manufacturing partners. In line with our commitment to responsible sourcing, we actively incorporate the principles of the Common Framework of Responsible Purchasing Practices (CFRPP) into our sourcing strategy.

deuter's sourcing strategy is to focus on a small number of trusted suppliers for all its products. Aside from Duke, our main supplier for all backpacks, bags and accessories, in the 23/24 financial year we onboarded one other supplier for our sleeping bags, High Rock, in Vietnam. Currently, there is one more supplier undergoing the onboarding process, in the area of welded waterproof products.

#### deuter will continue to use as few suppliers as possible.

The strategy comes with risks, but also opportunities.

Because we occupy almost all of Duke's capacity and Duke is our main supplier, any delays in production or fluctuations in orders have a direct effect on both parties.

But both parties also benefit from our lengthy partnership and the easy working relationship that it has generated. During difficult times in particular — such as the covid-19 lockdown period, where special payments to help quickly restart production were needed — we support each other.

Because we do not swap and change suppliers, as is often the case in the textile industry, our monitoring activities have no influence on the overall selection of our manufacturing partners. With other supplier structures, rewarding certain suppliers with greater orders makes sense, because this is a good way to encourage achieving their improvement goals. But we only have one manufacturing partner for each product group. Should anything arise during the monitoring process, we will naturally work on it, but it does not affect the volume of orders we place with a manufacturing partner. We can make improvements effectively without the need for such incentives because our relationship is founded on trust.

deuter intends to carry on the good relations it enjoys with its long-term partner Duke. WWe are convinced that nurturing close, trusting relationships with all our suppliers is the way to go, even if in-country risks such as limited Freedom of Association (FoA) in Vietnam persist. For any potential new suppliers, FoA risks are taken into account as part of our assessment.



### DEUTER'S SOURCING STRATEGY IS TO FOCUS ON ONE SUPPLIER PER PRODUCT GROUP:

# **SINCE** 1991

Vina Duke, in Vietnam, has exclusively made all deuter backpacks and accessories at its highly specialized manufacturing sites 2024

we embarked on a new collaboration with our sleeping bag manufacturer in Vietnam, High Rock, following a Responsible Exit from Myanmar.

### NO PRICE SOUEEZING

Our manufacturers calculate the price of our products being developed based on our designs and their material requirements. Prices are adjusted during the prototype phase to match targets, and the products are also adjusted to achieve a more competitive price point. Throughout this process, deuter does not squeeze prices and always negotiates fairly. Purchasing practices like benchmarking the price of different suppliers to find the cheapest offer is not the way that deuter conducts business with its partners. The cost of materials as well as local wages and wage increases are taken into consideration during these pricing negotiations. By applying transparent costings, we can track any progress in living wages within the supply chain better. Both parties strongly believe that trust is the best foundation and always pays off in the long run. Since we depend on our suppliers for their reliability, know-how and quality, and since we are reliant on them to a certain extent, we need to be sure that their business is running well and is financially resilient. We also provide our manufacturing partners with all the information and tools they need to be able to set prices and therefore wages more transparently and fairly.

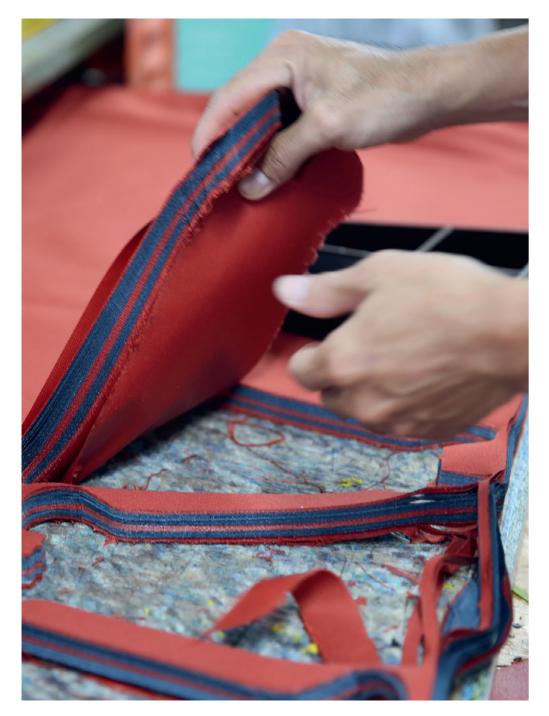
Taking into consideration quality, sustainability and lead times, Duke nominates suitable materials suppliers or works together with suppliers that deuter has nominated. Changes in materials must be made with appropriate lead times to allow timely purchasing, well before production begins, and to eliminate any knock-on effects on production schedules and working hours.

Given the nature of its procurement practices, deuter does not have a special sourcing department and associated costs. It is the Supply Chain Manager who is responsible for production planning and who works closely together with our suppliers. And when it comes to worldwide shipping of goods, there is also close collaboration. But should the need ever arise for a new supplier to be added to the portfolio, the CSR team are involved from the outset and have the power to veto any decision if there are concerns. To ensure we follow these steps we refer to our onboarding processes for tier 1 and tier 2 suppliers, which are clear and transparent, and to our supplier contracts.

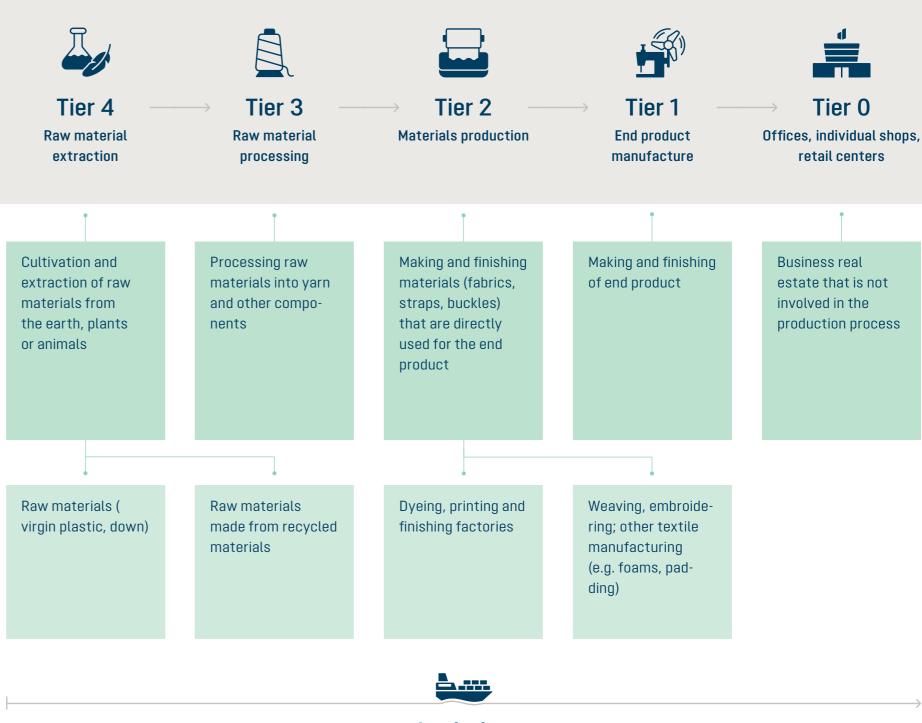
### **SUPPLIER RELATIONS**

At deuter, suppliers can be divided into direct and indirect supplier categories. For cutting and sewing services there is a direct business relationship (tier 1), while deuter is also significantly involved in the selection of materials manufacturers (tier 2) and materials. For these, and those further down the supply chain (tier 2-4), there is an indirect business relationship. These materials are used by cutting and sewing staff to create the final deuter product.

We have achieved full transparency with our tier 1 and tier 2 suppliers and are constantly building on this. A key area we focus on is the wet processes.



### **TEXTILE SUPPLY CHAIN**



### Logistics

Shipping of materials and products along the value chain

### SELECTION AND ONBOARDING OF NEW SUPPLIERS

deuter's strategy is to maintain and nurture long-standing supplier relations. But sometimes, a new partner is what's needed.

When selecting a new supplier, we use country-specific risk analyses to help in the selection process. These take into account all OECD sector risks. Preference is given to countries in which freedom of association (FoA) rights are respected.

The selection is also carried out in compliance with the sustainability criteria that are defined in the deuter Promise Policy, and with a view to creating a longstanding business partnership. Suppliers are obliged to uphold the standards outlined within the policy. Our policy stipulates deuter's requirements and expectations regarding social and environmental sustainability for all manufacturing partners, which helps minimize the risk of harmful practices being adopted.

Equally important, is the assessment of technically complex production steps and associated product risks. The technical requirements are an important aspect of supplier selection and heavily influence the selection process.

Risk assessments are carried out from a gender perspective at all levels to take account of all potentially affected vulnerable groups in this cross-departmental issue.

A binding supplier contract is entered into with all direct suppliers. This provides a clear, transparent framework for our working relationship. These contracts are drawn up based on the Common Framework for Responsible Purchasing Practices (CFRPP) and the Model Contract Clauses 2.0 of the Responsible Contracting Project (RCP).





### DEUTER ONBOARDING PROCESS FOR NEW PRODUCTION PARTNERS

### TIER 1: DIRECT ONBOARDING

#### First contact

Production team (PM, PDD) discusses areas such as prices, lead times, etc. with factory.

### First information

Collect and review relevant audits, review any social and environmental certifications, and kind of worker union (CSR).

#### Factory visit

Sustainability manager and production team visit, if possible.

### Contractual agreements

The manufacturing partner signs the deuter Promise Policy and the supplier contract. The manufacturing partner fills out the supplier register and agrees to supply chain transparency.

#### Human Rights Due Diligence

The supplier displays a poster in their production sites with the FWF Code of Labor Practices / the ILO's core labor standards, as well as information about the FWF Complaints Hotline and carries out training on the FWF system.

#### Registration

Add factory in FWF data system.

#### **Approval**

Factory Onboarding complete – the factory is now an Approved Factory.

### **TIER 2: ONBOARDING**

### First contact

Production team (MM) discusses areas such as prices, lead times, etc. with factory in consultation with production partner (Tier 1).

### First information

Request any relevant audits, social and environmental certificates, forms of employee representation.

Review in consultation with the CSR team.

### Factory visit

Production partner (Tier 1) or deuter team visits factory. Factory guarantees access to production.

### Contractual agreements

Factory signs deuter Promise Policy, fills out questionnaire and supplier register + gives consent to transparency. Responsibility lies with MM.

#### Human Rights Due Diligence

Information about deuter Promise Policy shared with factory. Responsibility lies with factory. Monitoring by MM.

### Registration

Supplier is registered in deuter supplier list.

### Approval Approval

Factory Onboarding complete – the factory is now an Approved Factory.

### DEUTER PROMISE POLICY-TRANSPARENT, OPEN AND BINDING

How can we guarantee that our policies are adopted by everyone? Through our deuter Promise Policy that applies to us and our manufacturing partners. It includes restricted substances lists as well as a People Guideline and a Planet Guideline. The *Planet & People* Guidelines address the principles of the policy, explain them in full detail and offer guidance and best practice examples. They also refer to some useful tools to help with implementation. Which means the Guidelines can be used as training material for deuter's manufacturing partners.

These documents together form the deuter Supplier Handbook, which is distributed to suppliers via an eLearning platform. It is where all of the documents can be viewed and downloaded, and where questions can be addressed to deuter's CSR team. Any updates to the Promise Policy and its supplementing documents will also be communicated via the platform.

deuter communicates its Promise Policy and Guidelines to all of its tier 1 suppliers and tier 2 materials and fabric suppliers. In turn, these are responsible for communicating the Promise Policy to their subcontractors. Compliance with national laws and regulations as well as the Promise Policy and the deuter Restricted Substances List (RSL) is a mandatory requirement for any working relationship with deuter.

Creating the Supplier Handbook was an important step in deuter's due diligence strategy since it allows us to establish direct chains of communication with suppliers further down the supply chain and gradually develop them more. It's not just about upholding standards but also about collaboration and learning from one another.

### **PEOPLE GUIDELINE**

#### Responsible business practices:

- · Compliance with national laws and deuter policy
- Supply chain transparency
- Anti-corruption

### ILO fundamental labor standard and human rights:

- Safe and fair workplace
- Occupational health and safety
- → Recommendations for action
- → Practical examples
- → Training documents and tools

#### PLANET GUIDELINE

#### Environmental Issues:

- Management of chemicals
- Water and wastewater management
- Waste management
- · Air emissions and effects on climate change
- Biodiversity
- Animal welfare

### Chemicals regulations:

- deuter RSL (bluesign® and ZDHC compliant)
- REACH Annex XVII and SVHC Compliance
- ZDHC MRSL
- Afirm Packaging RSL
- → Recommendations for action
- → Practical examples
- → Training documents and tools

### SUPPLIER CONTRACTS

deuter enters into supplier contracts with all its direct suppliers. deuter attaches great importance to securing long-term contractual partnerships with its suppliers. It allows us to promote lasting developments and ensure ongoing improvements in the production process. Our training courses and regular audits mean we can work together on long-term improvements.

deuter encourages open discourse with its suppliers, to find solutions together for any challenges that arise. This includes regular meetings, workshops and the establishment of feedback mechanisms to ensure that improvements are made on a rolling basis.

deuter encourages its suppliers to develop and implement innovative approaches to improving sustainability. This might be through collaborative projects, research initiatives and the sharing of best practices.

Adopting a collaborative approach ensures that both deuter and its suppliers are responsible for the implementation and further improvement of all sustainability practices.

Contracts are drawn up in line with the <u>Responsible Contracting Practices</u> and Fair Wear Foundation's Common Framework of Responsible Purchasing Practices (<u>CFRPP Framework</u>). The obligation to abide by the deuter Promise Policy forms part of the supplier contract, which among other things, sets out the following principles:

### TRANSPARENCY AND RESPONSIBILITY

An important aspect of these contracts is a requirement for transparency. Suppliers must disclose their production sites and sustainabilitypractices. deuter requires its suppliers to comply with strict regulations regarding workers' rights, including fair wages, safe working conditions and the freedom to establish trade unions.

### **FAIR PAY AND PRICING**

Another key aspect is fair remuneration. deuter ensures that the contracts include clear rules on fair pay for workers and that fair prices are set.

This creates a more sustainable basis for all parties in the supply chain.

### **ENVIRONMENTAL PROTECTION**

deuter supplier contracts also include comprehensive requirements for environmental protection. Suppliers must use eco-friendly materials and employ resource-efficient production practices. And all suppliers must abide by the deuter Restricted Substances List (RSL). This supports deuter's commitment to sustainability and environmental protection.



### RESPONSIBLE EXIT STRATEGY

At deuter, we have established a Responsible Exit Strategy in keeping with OECD and FWF guidelines. This applies when a business relationship needs to be terminated, either due to violations of labor laws, or if other factors such as supplier performance or geopolitical developments in that country make it necessary to take such steps. The Responsible Exit Strategy facilitates a responsible termination of business relations for the supplier and its employees. deuter recognizes that labor law infringements do not have to immediately result in the termina-

tion of a business relationship with a supplier. Doing so would deny them the opportunity for improvement and any leverage to do so. Our aim is to arrive at solutions that are sustainable through a close collaboration with our suppliers. Terminating a business relationship is viewed as a last resort, where all efforts have failed, or the supplier is not prepared to cooperate in undertaking necessary improvements.

### PROCEDURE IN THE EVENT OF LABOR LAW VIOLATIONS

### Detection and evaluation of violations:

As soon as a violation has been identified, a thorough evaluation of the situation is carried out. This is done in collaboration with the FWF and local stakeholders to establish the severity of the violation and the manufacturing partner's willingness to remediate it.

### Remediation support:

Instead of immediately terminating the business relationship, deuter will actively support the supplier in finding a lasting solution to the problem. Together, we come up with remediation measures and oversee their implementation.

### Ultimate consequences:

If the supplier is not prepared to undertake the necessary measures or is unwilling to cooperate, terminating the business relationship will be considered as a last resort option. The decision is entered into with great care and abiding by our Responsible Exit Strategy guidance.

#### Documentation and evidence:

Before terminating a business relationship, we meticulously document all the remediation efforts and measures undertaken. We demonstrate to the Fair Wear Foundation that we've exhausted all possibilities of finding a workable solution.

### RESPONSIBLE EXIT STRATEGY — THE RESPONSIBLE TERMINATION OF BUSINESS RELATIONSHIPS

1

has been decided

A responsible exit

2

\_

Exit communication

Establishing a phase-out plan

a Ass

4

Assessment of social impacts

development new strategies

Fulfilment of due diligence requirements during the business

relationship

Fulfilment of due diligence requirements beyond the business relationship

A risk assessment, supplier evaluation and escalation of the problem with the supplier leave no other option. Termination of the business relationship is communicated to the supplier and any relevant stakeholders, including employee representatives (where possible), other companies working with the same supplier and the Fair Wear Foundation.

In consultation with the supplier and other relevant stakeholders, a termination plan is drawn up, which incorporates a timeframe and the fulfillment of final orders, etc. The effects on workers in the factory and what they can do to mitigate them are identified.

Development and implementation of strategies to prevent or mitigate any possible negative impacts.

Ensuring that human rights due diligence (HRDD) requirements and other requirements are met as best as possible under the circumstances.

deuter fulfils its due diligence requirements even after the termination of its business relationship according to FWF requirements e.g. through the continued operation of the FWF complaints hotline.

### WHERE WE MANUFACTURE

### **TEXTILE SUPPLY CHAIN**

To ensure transparency, we provide information on the countries and regions of manufacture and the materials used for our products.

### **COUNTRY PROFILES**

### Tier 1: Vietnam<sup>1</sup>



#### LANGUAGES:

Vietnamese, English, French, Chinese, Khmer, mountain area languages

CAPITAL: Hanoi

FORM OF GOVERNMENT: Communist state POPULATION: 105,758,975 (2024 est.)

ETHNICITIES:

54 Ethnicities are recognised by the Vietnamese government (Kinh (Viet) 85.3%, Tay 1.9%, Thai 1.9%, Muong 1.5%, Khmer 1.4%, Mong 1.4%, Nung 1.1%, others 5.5%)

### Tier 2: China<sup>3</sup>



#### LANGUAGES:

Standard Chinese or Mandarin, Yue, Wu, Minbei, Minnan, Xiang, Gan, Hakka dialects, minority languages, Zhuang, Mongolian, Uighur, Kyrgyz, Tibetan

CAPITAL: Peking

FORM OF GOVERNMENT: People's Republic POPULATION: 1,416,043,270 (2024 est.)

ETHNICITIES:

Han Chinese 91.1%, ethnic minorities 8.9% (includes Zhang, Hui, Manchu, Uighur, Miao, Yi, Tujia, Tibetan, Mongol, Dong, Buyei, Yao, Bai, Korean, Hani, Li, Kazakh, Dai, and other nationalities) (2021 est.)

#### Tier 2: South Korea<sup>2</sup>



LANGUAGES: Korean CAPITAL: Seoul

FORM OF GOVERNMENT: Presidental republic POPULATION: 52,081,799 (2024 est.)

ETHNICITIES: homogeneous

#### Tier 2: Taiwan⁴



### LANGUAGES:

Mandarin (official), Min Nan, Hakka dialects, approximately 16 indigenous languages

CAPITAL: Taipei

FORM OF GOVERNMENT: Semi-presidential republic

**POPULATION:** 23,595,274 (2024 est.)

#### **ETHNICITIES**:

Han Chinese (including Holo, who compose approximately 70% of Taiwan's population, Hakka, and other groups originating from mainland China) more than 95%, indigenous Malayo-Polynesian peoples 2.3%

#### Source:

- <sup>1</sup>. https://www.cia.gov/the-world-factbook/countries/vietnam/
- $^2 \cdot \underline{\text{https://www.cia.gov/the-world-factbook/countries/korea-south/}}\\$
- $^3\underline{\text{https://www.cia.gov/the-world-factbook/countries/china/}}$
- 4-https://www.cia.gov/the-world-factbook/countries/taiwan/

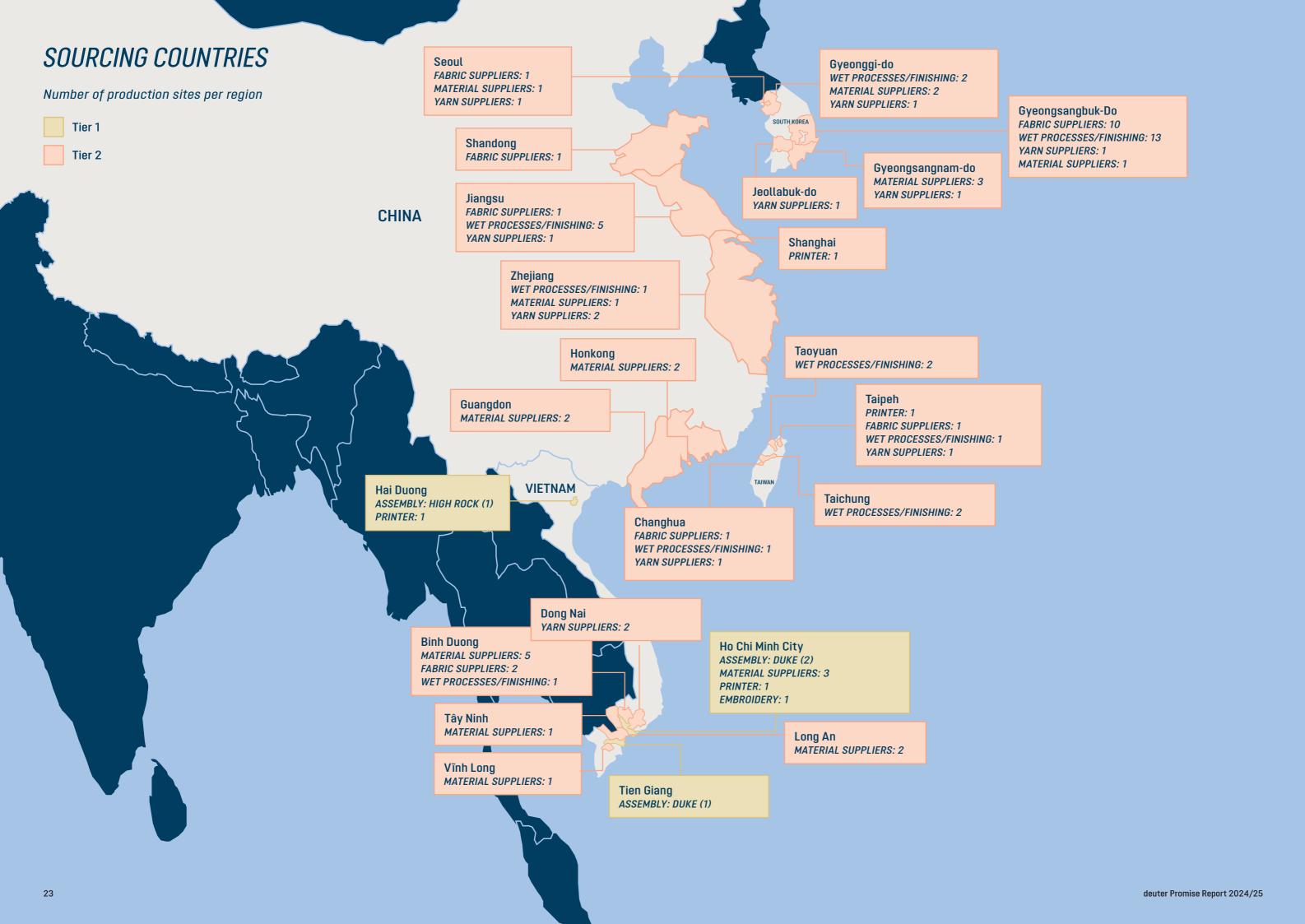
### INTEGRATION OF MONITORING ACTIVITIES AND SOURCING STRATEGY

### Caption our Tier 1 main suppliers

FWF-NR.	NAME OF FACTORY	PROCESS	CITY	LAST AUDIT	LAST TRAINING	LAST COMPLAINT	VISIT
2442	Count Vina Co. Ltd.	CMT	Tien Giang	21.11.2023	29.06 & 30.06 2020 (WEPC)	01.07.2017 fixed	May 2025
2421	Cu Chi Co. Ltd.	CMT	Ho Chi Minh	23.11.2023	April 2024 ongoing (WEPC)	01.04.2020 fixed	May 2025
2405	Vina Duke Factory (Hoc Monh) Co. Ltd	СМТ	Ho Chi Minh	24.04.2023	28.08.2015 (Onboarding)	12.12.2014 fixed	May 25 (Just before site shut down)
13869	High Rock Recrea- tion Products Co Ltd (Vietnam)	СМТ	Hanoi	26.03.2022	2021 - Novem- ber 2023	13.11.2020 fixed	May 2025

### Caption our Tier 1 main subcontractors

Caption our Her I main subcontractors						
FWF-NR.	NAME OF FACTORY	PROCESS	CITY			VISIT
11793	Le Mi Vina Co., LTD	CMT	Binh Tan District			
10663	Kim Chi Co., LTD	CMT	Hoc Mon District			
5940	Dream Embroidery	Stickerei	Cu Chi District			November 2023
5941	Ne Whe Co., LTD	Print	Hoc Mon District			November 2023
12316	Nghia Thang Co., LTD	CMT	Tan Phu District			
35191	Bao Nam Co., LTD	CMT	Hoc Mon District			
12312	Gia Minh Co., LTD	CMT	My Nam Commune			
35193	An Minh Co., LTD	CMT	Binh Chanh District			
12001	Damy Vina Co	Print	My Nam Commune			April 2023
35192	THUONG MAI KHANH Co. Ltd.	CMT	Hoc Mon District			
36866	Gam Seong Vina Co., LTD (Peak)	Print	Cu Chi District			
36867	TSMC Sai Gon	CMT	НСМ			
33753	Thai Binh Duong Pro Co Ltd	Print	Hanoi			



### RISK ANALYSIS

### OECD GUIDELINES & OECD SECTOR RISKS

Our sustainability strategy is largely based on the recommendations and requirements of the OECD's 'Due Diligence Guidance to Promote Responsible Supply Chains in the Apparel and Footwear Industry' and the industry risks defined therein.

**Sectors risks** in textile supply chains include (based on the risks identified by the OECD):



Discrimination, sexual harassment	Corruption and bribery	Hazardous chemicals
Gender-based violence	Occupational health and safety (OHS)	Greenhouse gas emissions
Wages and welfare benefits, living wage	Forced labor	Water pollution
Working hours/ overtime	Child labor	Animal welfare
Freedom of association and the right to collective bargaining		Water consumption

### WHY WE NEED RISK ASSESSMENTS

deuter follows a strategic management-level approach to the implementation of all due diligence processes. We believe it is our duty to take preventative measures against any possible adverse effects. Should any adverse effects still arise, however, we are committed to mitigating and remedying them. It is particularly important that we protect the rights of vulnerable groups such as children, refugees, women, migrant workers, home workers and ethnic or religious minorities.

By carrying out a risk assessment we can establish the likelihood of potential risks occurring along our supply chain and the subsequent severity of these. The degree of severity is calculated according to the OECD in terms of the extent, scope and irreversibility of the risks.

The type of risk and severity can vary depending on the country/ region of production, the stage of production, and the product group. For instance, the use of hazardous chemicals in wet processing of products (tier 2) poses a significantly higher risk of harm to the environment than the cutting, sewing and finishing of products (tier 1).

And so, our risk assessment is country specific and product group specific for each individual stage of the supply chain. Furthermore, we also analyze the impact of our business and procurement practices on social and environmental risk factors throughout the whole supply chain. In addition, each sector risk is examined from a gender perspective. Through this systematic approach, we ensure that the special protection of vulnerable groups is taken into account.

**CONTENTS RISK ASSESSMENT | CORE ISSUES OF RISK IDENTIFICATION** Where is production is white the different sand in the What is being produced? COUNTRY-SPECIFIC RISKS Distribution of the order volume · Prevalent political or socioeconomic structures and their Prioritization = influence on risks probalilty of occurence Sector-specific risks at country/ regional level (external information) such as studies, public reporting severity Sector-specific risks at factory (per sector risk) level (internal information) such as audits and complaints • Risk to individual groups of people

### PRODUCT-SPECIFIC RISKS

- Associated social or environmental risks
- Specific risks in the manufacture of products

How is it being produced?

RISK ARISING FROM THE BUSINESS MODEL AND PURCHASING PRACTICES

- · Core activities of the company
- Frequency of product line changes
- Type and method of order placement

### **GENDERLENS**

minorities.

For each OECD sektor risk, we take into account the risk of gender-specific inequality for those potentially affected.

These vulnerable groups include for example: Women, children, refugees, migrant workers, home workers, LGBTQIA+ people and ethnic and religious

In addition to risk information about production countries and factories, information from complaint systems is also included in the prioritization of risks. Feasibility and influence are also taken into account in the prioritization process.

Using the resultant risk profile, we then prioritize areas of higher risk and determine mitigation measures. These measures span anything from information events to workers' rights for employees, and from training sessions to wage increases. Even our Responsible Exit from Myanmar arose as a result of our risk assessment, because the identified risks could no longer be reduced by adopting remedial measures. And so, the risk analysis has wide-ranging implications for our business practices and procurement strategy, as our entrepreneurial actions indirectly and directly affect our environment and employees.

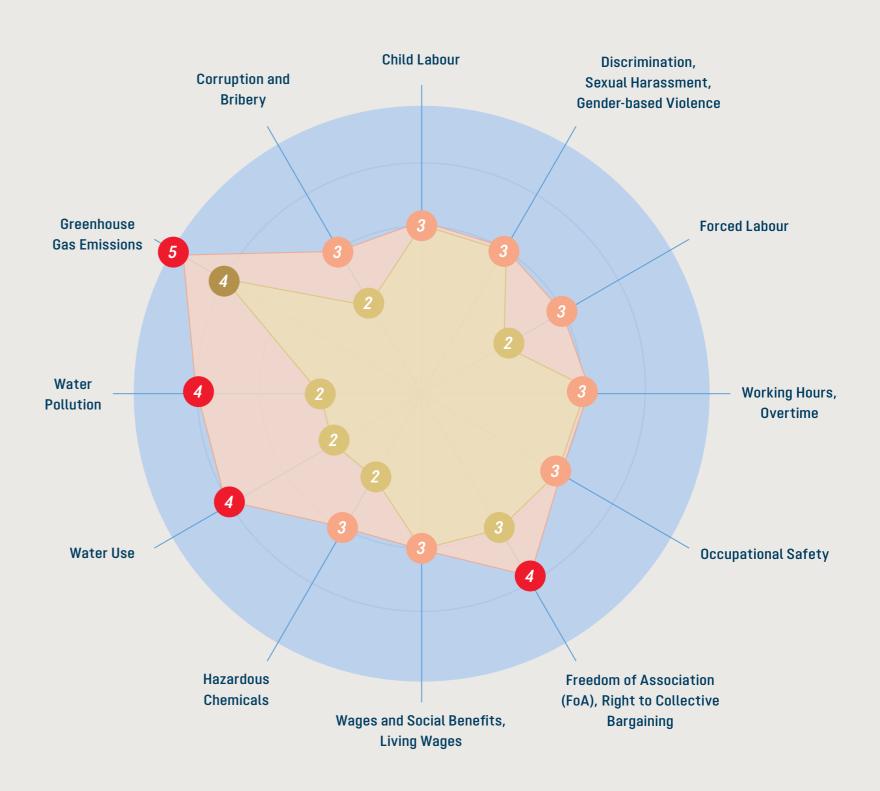
We use a risk assessment tool developed by the Green Button that has been adapted to our specific needs.

We revise risk assessments on an annual basis and update them with new developments in the countries concerned and within our supply chain. Finally, we generate and assess new targets and measures for the different production steps and factory-based at manufacturing level.

### **METHODOLOGY**



### **RESULTS**



#### LEGEND:

- 5 = Very High
- 4 = High
- 3 = Medium
- 2 = Increased
- 1 = Low



Tier 2

### RISKS AND MEASURES ACCORDING TO ACTIONABLE AREAS

With our <u>'Together For 360° Responsibility'</u> policy we have adopted a holistic sustainability strategy which is applied company wide. Categorizing it into Planet and People and divided into six actionable areas makes it easier for us to identify the measures we need to take. But some of the measures apply to multiple actionable areas. The bluesign® system partnership, for instance, protects people and nature. Which shows that our 360° approach is evident here, too.









### **CLIMATE PROTECTION**

### **OUR PROMISE**

We will continue to identify and reduce our carbon footprint.

We will participate in Race to Zero. By 2030, we will reduce the CO<sub>2</sub> emissions of our company and of our supply chain (scope 1-3) by 42% compared to the 2022 baseline year. By 2050, we will reduce all emissions by at least 90% and achieve net zero emission status. We support carefully selected climate projects to cover any remaining unavoidable emissions.

In doing so, we are contributing to the goals of the **Paris Climate**Agreement.

### RISK IDENTIFICATION Greenhouse gas emissions

Analysis has identified that there is a risk in Vietnam, China, Taiwan, and South Korea lower down the supply chain and at the cutting and sewing level. Greenhouse gas emissions are too high across the supply chain. The supply chain tiers 2 and 3, in particular, and the upstream production tiers are emissions heavy. The level of  $\rm CO_2$  emissions per product in supply chain tier 1 (cutting and sewing) is in the lower single-digit percentage range, according to the Product Carbon Footprint calculation. Over 90% of emissions are generated in the upstream produc-

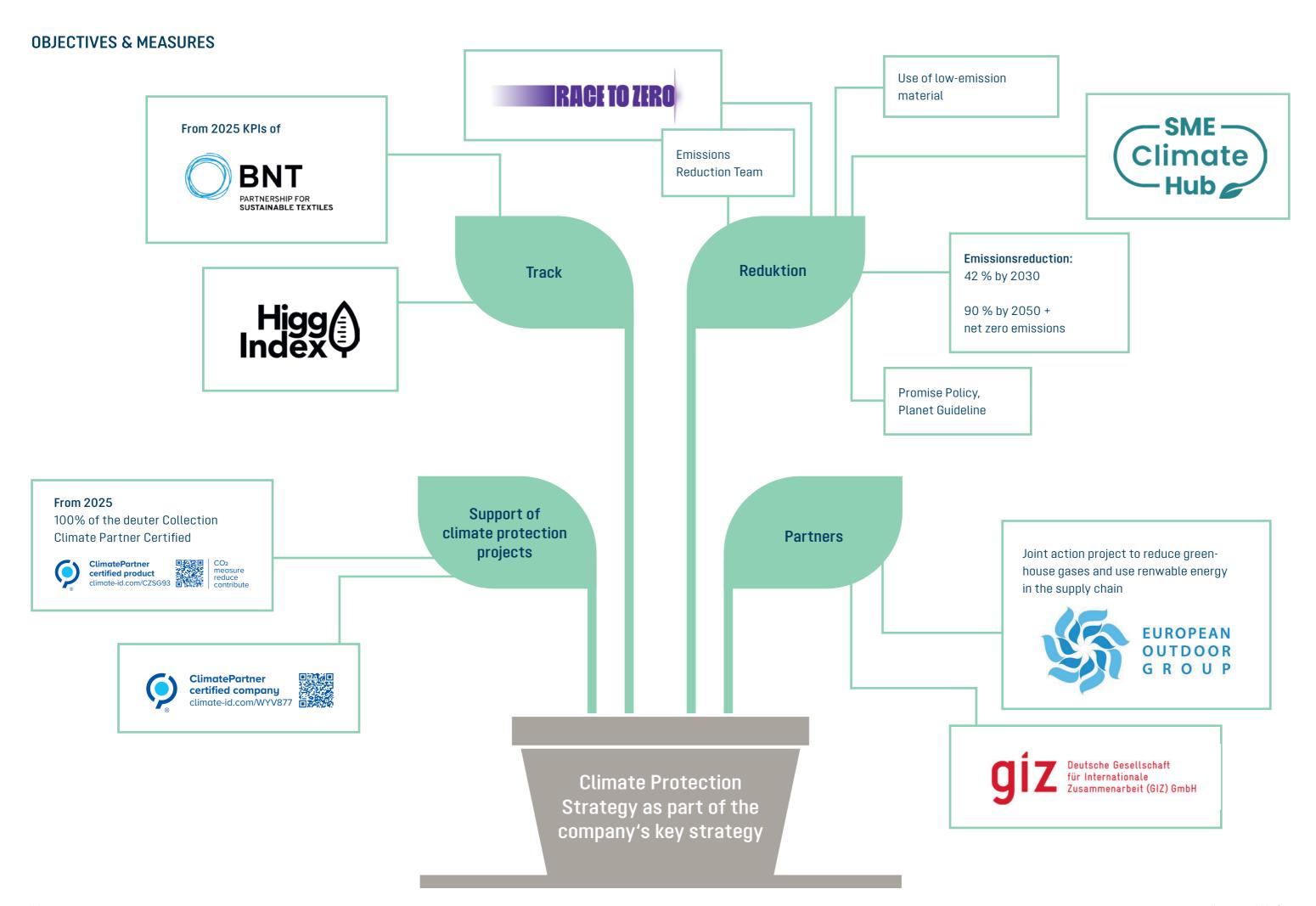
tion tiers (wet processes, fabric manufacture, raw material extraction) because these are very energy intensive and largely fossil fuel reliant.

In view of the severity of the risk and the likelihood of its occurrence, we are focusing on further mitigation strategies for fabric and yarn manufacturing operations and wet processes. Because of our long-standing partnership with our manufacturers and the increased influence this has leveraged, we are also implementing mitigation measures at the cutting and sewing stage.

#### RACE TO ZERO

To actively combat the human-driven climate crisis, we have decided to adopt the science-based climate targets of the United Nations Framework Convention on Climate Change's (UNFCCC) and join the Race to Zero. This global campaign is the largest coalition of non-state actors and has set a target of halving global  $\text{CO}_2$  emissions by 2030.





### **ROADMAP TO 1.5° TARGET**

By 2030, we will reduce the CO<sub>2</sub> emissions of our entire business, including our supply chain, by 42% compared to the 2022 base-line year. By 2050, we will reduce our CO<sub>2</sub> emissions by 90% and achieve net zero status. In a public commitment to this target, we have joined the SME Climate Hub and consequently also the Race to Zero. The measures that it requires will be incorporated into all departments and applied company wide. With clear incentives, a transparent process and effective allocation of tasks, this ambitious target can be achieved.

### CATEGORIZATION OF EMISSIONS ACCORDING TO SCOPE

Scope 3 includes all other emissions that are not under the direct control of the company, such as employee commute or the manufacturing of products in partner factories.

**Scope 2** contains emissions caused by purchased energy, for example electricity and heat.

Scope 1 includes all emissions generated directly, for example by the company's own storage facilities or vehicle fleets



## **Indirect corporate Emissions**

99.4 %\* of all emissions

# Directly controllable corporate Emissions

0.6 %\* of all emissions

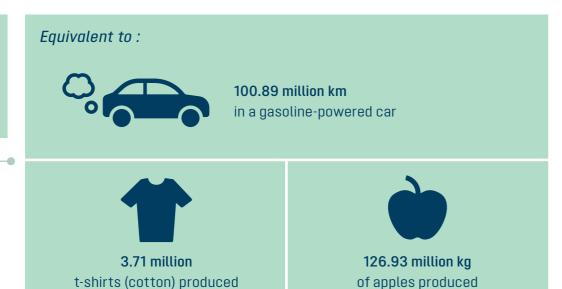
\*Proportions not shown to scale

### DEUTER CO, EMISSIONS

In the interest of simplification, we use ' $CO_2$  emissions' to mean all emissions and provide totals in tons of  $CO_2$ . This refers to  $CO_2$  equivalents, and therefore all types of greenhouse gases.

Total emissions 2024

20,309.63 t CO<sub>2</sub>



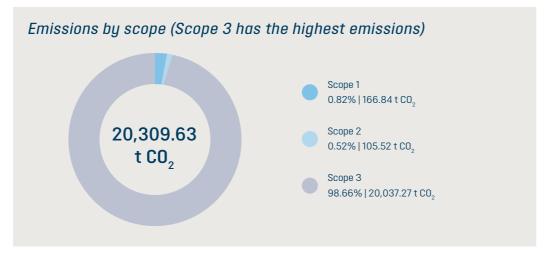
Scope 1 and 2

272.36 t CO<sub>2</sub>

Scope 3

20,037.27 t CO<sub>2</sub>

Sources: Ecoinvent and ITF



In 2024, deuter's greenhouse gas emissions totaled 20,310 tons of  $CO_2$  equivalents. The data was collected and reported in accordance with the Greenhouse Gas Protocol and is broken down into Scope 1 at 166.84 tons of  $CO_2$ , scope 2 at 105.52 tons of  $CO_2$ , and scope 3 at 20,037.27 tons of  $CO_2$ 

### CO, OFFSETTING

We are aware that carbon offsetting needs to be seen in a critical light. In the past, cases have emerged where climate projects that had been paid for were only completed in part, or not at all. At the same time, focusing purely on offsetting makes no sense either, because a company's emissions will continue and end up in the atmosphere. Achieving climate neutrality through offsetting payments alone is therefore known as greenwashing.

At deuter, we focus on reducing emissions. But for emissions that to date are unavoidable, we support <u>certified social and climate projects</u>. Since 2020, together with ClimatePartner, we have been calculating the site-specific emissions and unavoidable emissions from select products. From 2025 onward, we are supporting climate projects to offset all emissions we generate at our headquarters as well as from the manufacture of our products. All collections from \$\$2025\$ are therefore 100% ClimatePartner certified, which means that all of the products we make will be certified.

### CO<sub>2</sub> EMISSIONS TRACKING SINCE THE BASELINE YEAR (2022-2024)

Over the past three years we've succeeded in significantly cutting our  ${\rm CO_2}$  emissions — thanks to measures we took to cut energy usage, optimize production and prioritize sustainable supply chains.

A particularly sharp drop in overall emissions can be seen between 2022 (50,403 t  $\rm CO_2$ ) and 2023 (21,977 t  $\rm CO_2$ ). This is mainly due to particularly high volumes of sales in the record year of 2022. The emissions were directly related to the volume of production.

Irrespective of the decrease in production volume, structural improvements were also achieved. The  $\mathrm{CO}_2$  emissions per product sold therefore dropped by around 40% within two years – a sign of more efficient processes and resource-saving production.

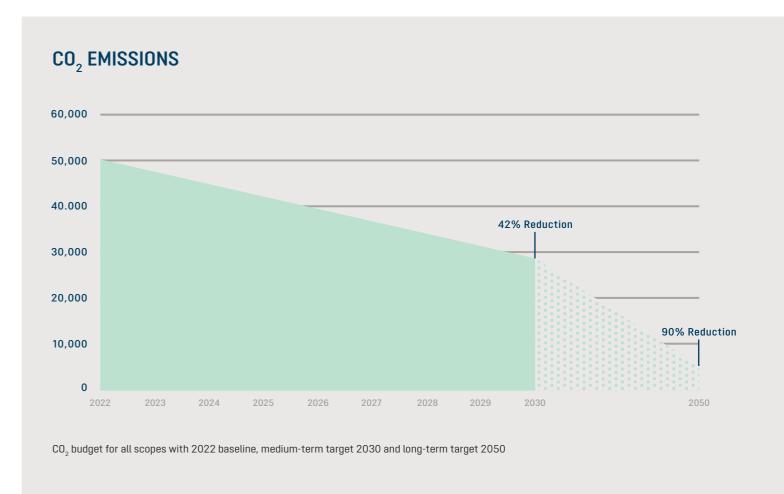
The emissions per employee were also reduced – by over 60% compared to 2022. Direct and indirect emissions from office operations and employee activities (such as electricity, heating, vehicle fleet, commuting, business travel, office waste) remained largely stable, indicating effective management of our direct emissions.

These developments show that we're not just reacting to external factors like sales volumes but are also making targeted improvements to our climate-related efficiency – regardless of fluctuations in the market environment.

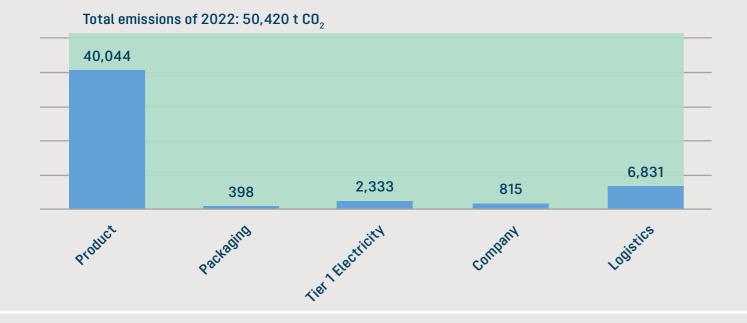
As part of our climate strategy, we will continue to revise and extend our existing measures and define new measures. We will focus on reducing our carbon footprint in the areas of product and material development, since this is where a significant potential for reduction exists.

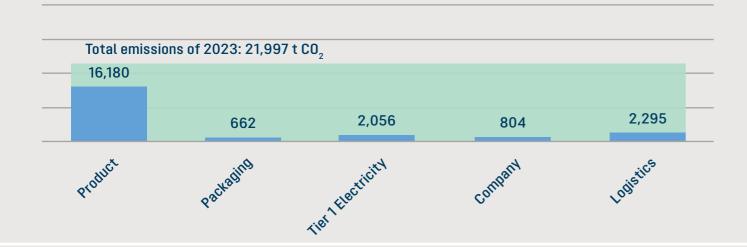
#### BUDGETARY APPROACH

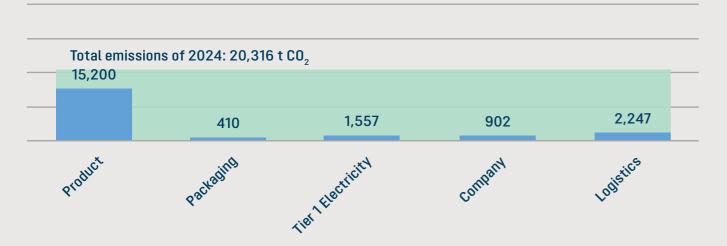
To comply with the 1.5°C target, we can emit 298,907 tons of  $\mathrm{CO}_2$  in scope 3 and 1,624 tons of  $\mathrm{CO}_2$  in scope 1 & 2 between 2022 and 2030. This, in effect, is our  $\mathrm{CO}_2$  budget. If we do not meet our reduction target of 6.58% in a given year, then we have to make bigger cuts in another year.



### CO<sub>2</sub> EMISSIONS TRACKING SINCE THE BASELINE YEAR (2022-2024)







### EMISSIONS REDUCTION TEAM

We have set up an Emissions Reduction Team (ERT) to embed our climate strategy throughout the company. It includes employees from all departments so that they can both plan and effectively implement measures to reduce emissions across all departments. Since its inception, several meetings have taken place in which the ERT was actively involved in collecting data for our current carbon footprint, among other things. This provided detailed insights into key emission drivers and laid the foundation for targeted reduction measures.

The team is currently in the finalizing and prioritizing measures phase. The objective is to implement a coordinated suite of measures across the entire company. Preliminary initiatives

have already been launched, including the establishment of a photovoltaic system scheduled to start operation in the coming financial year and the installation of EV charging ports at the company headquarters. Other measures are in preparation or already at implementation stage.

At the same time, a monitoring system will be set up to track progress. The first monitoring activities are already underway – with a focus on sticking to schedules and the measurability of results

The overarching aim is the systematic realization of our climate targets for 2030 and 2050.

### **EXISTING REDUCTION PROJECTS**

We are already implementing practical measures to promote the use of renewable energy. At our headquarters we have set up a new photovoltaic (PV) system. Our manufacturing partner Duke is also setting a good example with a new PV system in operation at one of its production sites, and it is currently planning to extend this to a second site.

We are also members of the European Outdoor Group's (EOG) Carbon Reduction Project (CRP). The aim of the project is to work with other companies and suppliers to identify emissions drivers and implement emissions reduction measures.

In the 2023/24 FY, we started a second round of the CRP together with nine outdoor brands (3 new ones, and 6 existing ones), involving another two suppliers from our supply chain. This time, once again, over 80% of the 93 suggested measures were adopted. These included updating machines, optimizing processes and further transitioning toward renewable energy. The suppliers who took part want to continue to use the tools going forward.

We are currently in discussions about starting two more rounds. One of these will focus on suppliers from the accessories category, to target emissions reductions in this area too.

### CARBON REDUCTION PROJECT (CRP) - EOG

The European Outdoor Group's (EOG) CRP is a collaborative action initiative started by a pilot group of ten outdoor brands, to reduce greenhouse gas emissions in the outdoor industry's supply chains. After determining baseline emissions, and establishing and implementing reduction plans, we achieved the first results in the 2022/2023 financial year. More than 250 reduction measures were proposed, 88% of which were adopted by participating factories. Measures included things like moving away from coal, machinery improvements in such things as boilers and ventilation systems and increasing the proportion of green energy.

### RENEWABLE ENERGY TAIWAN

The 'Renewable Energy Taiwan' project is a follow-on project that resulted from the EOG's Carbon Reduction Project. The aim was to find out how factories in Taiwan can use more renewable energy sources like sun and wind.

To do this, the outdoor brands from the pilot project teamed up with 10 factories to investigate different ways of using renewable energy. They examined several practical approaches for sourcing electricity, each with advantages and disadvantages.

### STATEMENTS FROM THE EMISSIONS REDUCTION TEAM

Below, some of those involved in the ERT tells us about how things have gone so far and what motivates them:

### **MARKETING TEAM**

"The Emissions Reduction Team lays out structured measures that make the deuter Promise targets tangible and visible. It can play a key role in generating greater confidence in our company and brand, both internally and beyond.

By actively committing to climate protection and working on how we can reduce emissions and operate more sustainably in the marketing department, we're actively shaping a more viable future and together with the ERT we're also setting an example for authentic, value-based communication. That's something that really motivates us in marketing, because we're responsible for how our brand is perceived."

Meike Winkler





"As part of the deuter emissions reduction team, I see it as our duty with our partners to measure our emissions and take steps toward decarbonization in the entire value chain.

able packaging solutions.

### **BUILDING SERVICES AND FACILITY** MANAGEMENT TEAM

"From the perspective of building services and facility management, it means that the team actively contributes to implementing the company's environmental commitments through sustainable measures such as implementing energy-efficient systems, using environmentally friendly technologies, and optimizing building services. It means that our buildings and facilities are run in an environmentally conscious way, which is therefore realizing our promise to become more sustainable.

In the building services and facility management department, the deuter Promise motivates us in our daily work to keep finding more sustainable and environmentally friendly solutions. It makes us feel like we are part of something bigger, that not only improves our efficiency but also contributes to the environment. It strengthens our resolve to run the buildings in a way that's kinder to the environment and speaks to the company's values on sustainability."

**Claudia Krings and Tobias Metzger** 





### **PRODUCTION & LOGISTICS TEAM**

Especially where logistics are concerned, there is a need for more efficient route planning, using less emissions-heavy means of transportation and more sustain-

Through our team discussions and the implementation of measures, I have gained a better understanding of the need to include environmental impact considerations in every aspect of business operations."

**David Stahl** 



### **CSR TEAM**

"It's really impressive to watch how my colleagues from the various departments are fully engaging with the issue of emissions reduction. Coming together as the ERT generates creative ideas and some great emissions prevention projects that really have an impact."

Vanessa Zillich





















### ENVIRONMENTAL PROTECTION

### **OUR PROMISE**

We will do our best to minimize the impact of our products on the environment.

We will protect the environment by selecting resources carefully, reducing the quantity of resources used and avoiding harmful substances. And we will engage in environmental projects together with partner organizations and NGOs, and keep expanding on these.

### RISIK IDENTIFICATION Hazardous Chemicals

Analysis has identified a risk in China, Taiwan and South Korea further down the supply chain. Where factories are not certified further down the supply chain, there is a greater risk. These must adhere to deuter's RSL (Restricted Substances List) and ZDHC MRSL standards.

In view of the severity of the risk and the likelihood of its occurrence, we are focusing on further mitigation strategies for fabric and yarn manufacturing operations and wet processes. The bluesign® standard is our most important measure for chemical safety in the supply chain because its upstream management ensures that all chemicals used are tested and declared safe, even in the initial production stages. More than 80% of the body fabrics that were bought in the 2023 calendar year were bluesign®-certified fabrics. The Higg Index tools are important aids in generating transparency and managing data.

Mitigation strategies already implemented, such as our backpack main supplier becoming a bluesign® system partner, and the minimal overall use of chemicals in the sewing stage, mean the risks here are minimized.

### Water consumption and water pollution

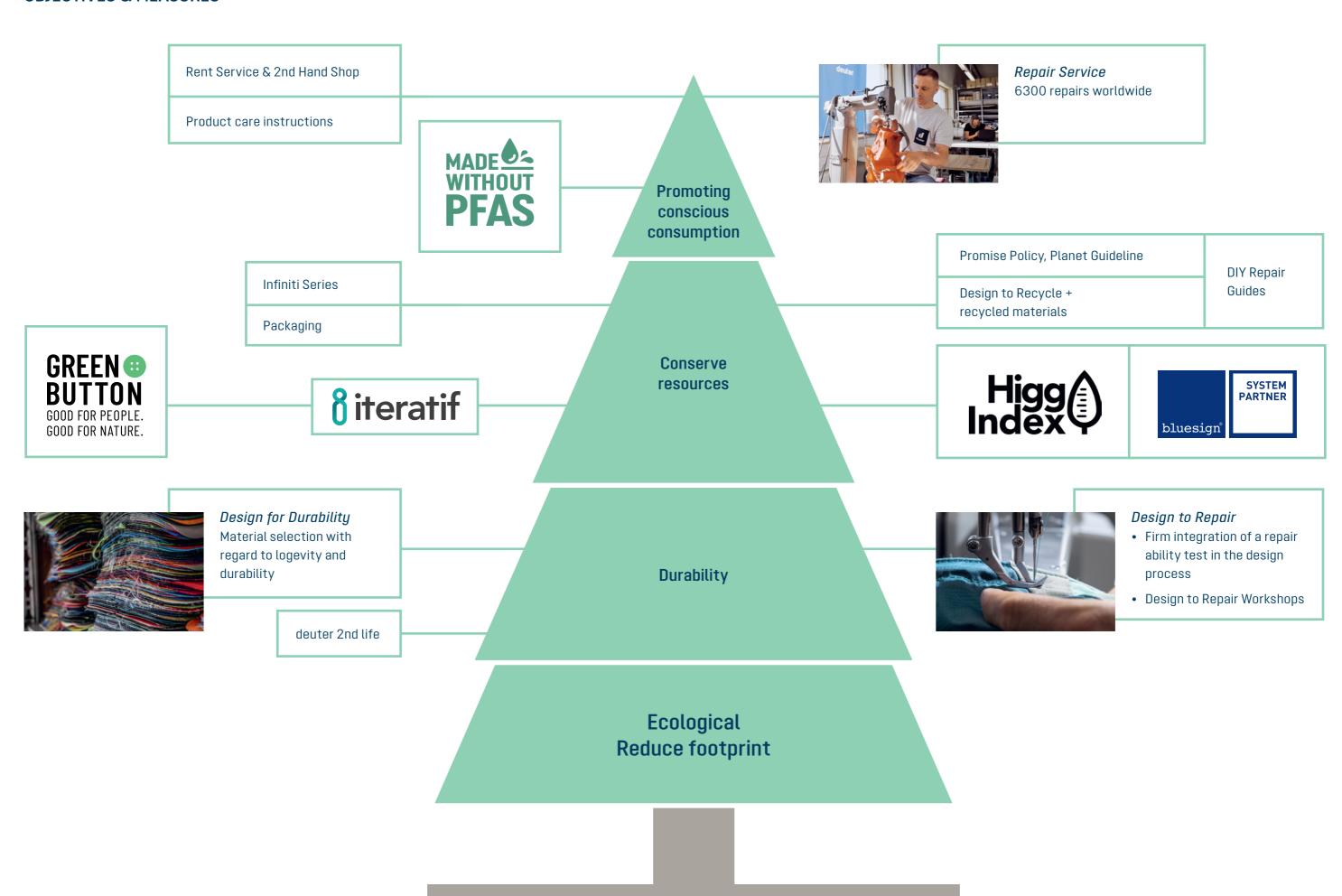
Analysis has identified potential risk in all manufacturing countries, but particularly in Taiwan, South Korea and China (tier 2+3 of the supply chain). Hazardous chemicals and a lack of wastewater treatment are the biggest causes of water pollution. There is a further risk presented by the amount of water required for the manufacturing processes in these stages of the supply chain. Here too, bluesign® certification is the most important measure. Certification includes limits for harmful substances in wastewater, regular testing of wastewater quality, and the introduction of more advanced wastewater treatment plants. The aim is to ensure that the wastewater that flows from the manufacturing sites is not harmful to people or the environment.

In view of the severity of the risk and the likelihood of its occurrence, we are focusing on further mitigation strategies for fabric and yarn manufacturing operations and wet processes. Going forward, the Higg Index Tools will help provide a reliable baseline set of data.

In view of mitigation strategies such as our backpack main supplier being a bluesign® system partner, we can assume that risk is minimized. We recognize, however, that the measures already taken do not prevent the risk completely.



### **OBJECTIVES & MEASURES**



### BLUESIGN® SYSTEM PARTNERSHIP

Manufacturing textile products involves a lot of chemicals. They're used to add color or waterproofing performance, for instance. According to bluesign®, over 1000 chemical substances are used in textile manufacturing. Of these, over 900 are harmful chemicals and must be carefully controlled. In addition to questions about occupational safety, the way that wastewater is processed or handled is also important to address. And so, the chemists and engineers at bluesign® drew up a 'Black Limits' list. There are over 800 banned substances, with the list updated on a yearly basis and open to public scrutiny. Chemicals included in the list are prohibited from use in production. The bluesign® standard also helps to significantly reduce the number of resources used in textile manufacturing. According to bluesign® data, partner businesses have cut their water use by up to 8%, energy by up to 14% and CO<sub>2</sub> emissions by up to 17% and chemical use (according to earlier surveys e.g. 2019) by up to 17%.

We've been a bluesign® System Partner and have applied the bluesign® Standard since 2008 as part of our efforts to minimize the impact of our manufacturing processes on the environment. As a bluesign® system partner we take part in an annual Brand Assessment. This generally takes place at our head-quarters. It includes issues related to organizational structure, supply chains and materials, fabrics and chemical substances, reporting and communication, and monitoring of suppliers. The results of this assessment are documented in a Gap Analysis which forms the basis of our strategic action plan.

The bluesign<sup>®</sup> system examines the manufacturing processes for all the individual components along the whole supply chain

and for the materials used for our backpacks and sleeping bags. These are put through rigorous compliance checks. The same applies to the impact that the manufacturing processes have on people and the environment. The manufacturing processes and assembly of components are inspected based on the 'bluesign® criteria' and made more sustainable. These are then given 'bluesign® approved' status. Step by step, a continuous supply chain of sustainable materials and production processes emerges, which ultimately results in a "bluesign® product". A bluesign® product is made with a minimum of 90% bluesign® approved fabrics and a minimum of 30% bluesign® approved components (from 2027 the components element will go up to 40% for bluesign® products). At deuter, we already achieve significantly higher components percentages. It is our aim to steadily increase the number of bluesign® approved elements, to provide the highest standards in safety and achieve the greatest possible reduction in harmful substances.

Last year, we also made significant progress, with greenhouse gas emissions per kilogram of production falling by almost 46%, energy consumption by 42%, and water consumption decreasing by 47%. Particularly encouraging is the reduction in textile waste of more than 61%, which indicates a significant increase in resource efficiency.

bluesign® System Partnership (or comparable certification) is a deciding factor in the choice of new suppliers and, as such, is defined in the deuter onboarding process.

### MADE WITHOUT PFAS

deuter has exclusively used fabrics that are made without PFAS since 2020 but that deliver equally high quality – to protect people's health and the environment.

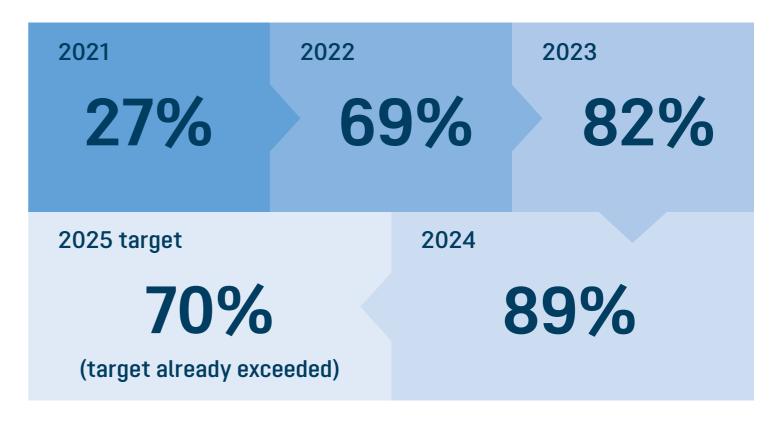
PFAS (per- and polyfluoroalkyl substances) are a group of synthetic chemicals that have water, dirt and grease repellent properties and are used as a surface coating for such things as textile waterproofing or to make waterproof breathable PTFE membranes. These chemicals are useful, but they are persistent and

leach into the environment through the manufacture, use and disposal of products, and are proven to be extremely harmful to humans, animals and the environment.

Since early 2020, instead of PFAS, we've used a durable water repellent (DWR) finish that is not harmful to people or planet.

This special finish is water and dirt repellent without the use of PFAS – keeping fabrics dry and the natural environment clean.

### BLUESIGN® APPROVED BODY FABRICS AS A PERCENTAGE OF ANNUAL VOLUME (2021-2024)



### PERCENTAGE OF BLUESIGN® PRODUCTS IN THE COLLECTIONS (SS 2023 - SS 2025)



<sup>\*</sup> Data rounded

# 5 MIO. TONS -





OF CLOTHING ARE THROWN

AWAY IN THE EU EACH YEAR

of the materials are recycled into new clothing



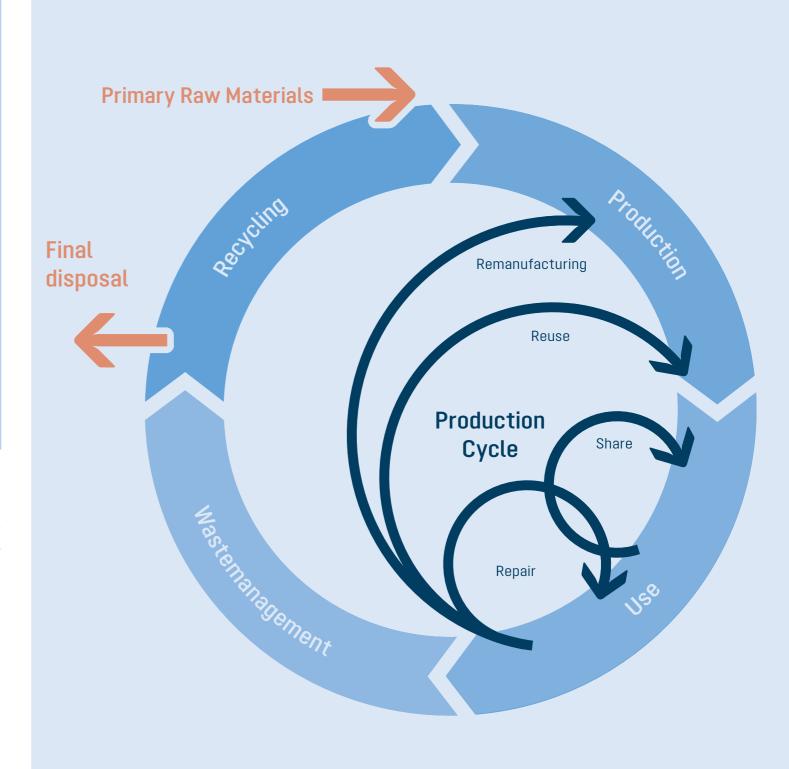
Within the framework of the European Green Deal and the Circular Economy Action Plan, the EU is addressing the textile industry's problems: Overconsumption, socially and environmentally harmful manufacturing practices, and mountains of textile waste. Its vision is clear: All textiles in the EU should be durable, repairable and recyclable, consist largely of recycled materials, contain no harmful chemicals and be produced with respect for people and the environment.

deuter was already working toward a circular economy before the regulations were passed. A key aspect of this was in lengthening our product lifespans, recycling materials and cutting waste. These principles are firmly embedded in the deuter Promise.

An important goal is to make the lifespan of deuter products as long as possible so as to reduce their ecological footprint and save resources. Which is why we work hard to ensure our designs are timeless, that we use materials that are sustainable and ensure the highest standards of quality are met throughout our entire manufacturing process. And it's why we carry out repairs. The deuter Repair Service has existed for 120 years already. We have a

highly qualified repair team at our headquarters' workshop, and since August 2022 we have been training apprentices to become textile and fashion seamsters. This is in tandem with our "Design for Durability" and "Design to Repair" policies that ensure the repairability and durability of our products right from the outset. Customers are also given repair instructions and care tips to extend the usable lifetime of our products.

And then, there is the *recycling of materials*. deuter persists in trying to increase the proportion of recycled materials used in its products - to *close the loop on materials*. But to make our products truly circular, we need a comprehensive recovery and processing system that dismantles products and makes recycled materials available for the manufacture of new products. Fully implementing such a system has proven too complex at this time. But deuter has already started with some pilot projects to test and refine the feasibility and effectiveness of such approaches



**MATERIAL CYCLE** 

#### **DESIGN & DEVELOPMENT**



Within the framework of our 'Design to Repair' approach, we are making every effort to improve the repairability of our products.

- Verifiable repairability is firmly embedded in the design process.
- Design for Repair workshops will continue to be carried out in collaboration with the Product Design & Development department and the specialists from the Repairs Department. This interaction allows us to take note of any repairs that we are currently unable to make, so that we can avoid weak points in the repairability of products when designing new ones.





Within the framework of our 'Design for Durability' approach, we are making every effort to improve the longevity of our products.

- When it comes to choice of materials, we base it on durability and longevity. All materials used need to meet deuter's strict quality standards.
   Quality assurance is carried out through comprehensive laboratory tests.
- Practical field tests are also carried out to test for functionality and durability in real-world conditions.





#### **DESIGN & DEVELOPMENT**



Within our 'Design to Recycle' approach, we are making every effort to improve the material purity and therefore recyclability of our products.

A product with all elements made from the same single-origin fibers e.g. Thermoplast, is pure and therefore recyclable. Single-origin products are better suited to value-added recycling. Products like backpacks, for example, can be made up of more than 100 individual parts that cannot always be separated from one another (in recycling processes).

- The aim is to reduce the number of different materials and material blends to improve the recyclability of deuter products. Furthermore, replace difficult to recycle materials with more recyclable materials. Initial pilot projects are already underway.
- The use of raw materials with a proportion of recycled content should gradually be increased.



#### RAW MATERIALS WITH RECYCLED CONTENT AS A PERCENTAGE OF ANNUAL VOLUME (2021-2024)

2021 2022 2023

17% 20%

36%

2030 target

Increase in the proportion of recycled items, especially from VN and CN, if economically feasible.

2024

40%

#### PERCENTAGE OF PRODUCTS WITH RECYCLED CONTENT (2021-2024)

#### FY 2021/22

Approx. 60% of our SS2023 and FW2023/24 collection is partly or entirely made with recycled body fabrics.

#### FY 2022/23

Approx. 65% of our SS2024 and FW2024/25 collection is partly or entirely made with recycled body fabrics.

#### FY 2023/24

Our target of designing 50% products made from recycled body fabrics is already achieved.

#### 2030 target

Aim for > 95% of collection. Percentage of products made from recycled main materials should steadily rise.

#### FY 2024/25

Approx. 65% of our SS2025 and FW2025/26 collection is partly or entirely made with recycled body fabrics.

NB: this is a reduced collection, yet recycling was still a high priority.

The choice of materials and collection planning we're undertaking for the future show that we're well on our way to achieving this goal and making our collections even more sustainable.

#### REPAIR & CARE



#### The deuter Repair Service is about extending the lifespan of our products.

This service is especially important for products which are in good condition, but no longer functional unless repaired.

- By repairing these items, we are cutting down on landfill waste both post-consumer and pre-consumer waste where products and prototypes with minor flaws are given a new lease of life.
- It also saves resources, because extending the usable lifetime of products means there is no need to purchase a new product for the time being.
- Backpacks that can no longer be repaired or have been donated are
  inspected to determine if the materials can be reused. The outer fabric,
  the lining, entire sections like shoulder straps or buckles, which are in
  good condition can be used in the repair of other backpacks.
- There is a deuter Repair Guide for national and international retailers and distributors, to make customers more aware of the possibility to repair.
   The contents of this are also available on our website and can be viewed here.

#### Repairs at a glance

4,000	4,500
2023 <b>6,300</b>	<sup>2024</sup> <b>5,892</b>



By creating a deuter DIY option, we're encouraging our customers to carry out small repairs to their deuter products themselves.

A defective buckle, a frayed waist strap or a worn-out chin pad from a child carrier – parts like these can easily be replaced by the customer. This saves time and money and makes a significant contribution to the sustainability of a deuter product by extending its usable lifespan.

Correct care, cleaning and storage are also important for the lasting durability of products. It helps keep them in top condition so that they last for many years.

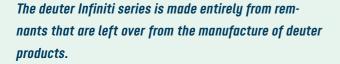
- The deuter <u>DIY videos</u> feature step-by-step processes for carrying out simple repairs yourself.
- We provide additional repair guides internationally through the <u>iFixit</u>
  platform a project we have recently launched and aim to continuously
  expand with further guides. This will give our customers and partners
  easy access to detailed repair instructions.
- Spare parts can be purchased directly from our <u>online store</u>.
- See our <u>product care tips</u>.



deuter Repair Team

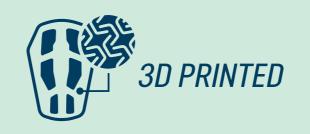
### SAVING RESOURCES & ENCOURAGING SUSTAINABLE CONSUMPTION





- Using fabric remnants or offcuts from our main production to create the Infiniti series makes for more optimized material usage, saves virgin resources, and cuts down on waste. This series has already repurposed 37,425 yards of fabric remnants. That's equivalent to around 5 soccer fields of fabric.
- 10% of revenue from the Infiniti series sales is donated to the organization 1% for the planet which supports the work of carefully selected partners across 7 core environmental areas: climate, land, water, food, pollution, wildlife and biodiversity. Over the last five business years, the sale of Infiniti products has generated a contribution of 31,747 euros.





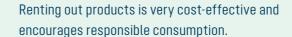
#### 3D printed back system - maximum 3% waste material

We've been able to cut waste or surplus material in the new Hiline enduro mountain bike backpack by using a 3D printer to create our deuter Airstripes back system.

- The back padding is lightly chamfered at the edges to ensure a particularly comfortable and efficient fit.
- The 3D printing creates an ergonomic shape for the padding, while also generating minimal waste by only printing the material that is actually required.
- The chamfering of the padding that's applied in usual production methods generates more waste.
- This pilot project is just one example of how deuter embraces innovative technology to improve the sustainability of its products.







- We have established a free-of-charge child carrier rental service at 5 cable car stations in the mountains of the Allgäu region of Germany. You can find out more about our rental scheme here.
- Another example of gear rental is evident in our connection to two Alpine Club mountain huts, where people can choose to borrow, free of charge, from a selection of deuter backpacks. We are working on expanding our rental or loan schemes to include other product categories.



Second Life products are backpacks with light wear and tear, or factory seconds, and product samples that are no longer needed, which have been expertly restored or made ready for use by our skilled repair team.

- Our Second Life products are available to buy from the <u>deuter Shop</u> in Gersthofen. All products are in good working order and fully operational.
- We're involved with some non-profit associations and organizations that promote social equality, inclusion and support for those in need. We help establish welfare facilities by providing funding, or support in the form of donations in kind.





#### **CLOSING THE LOOP**

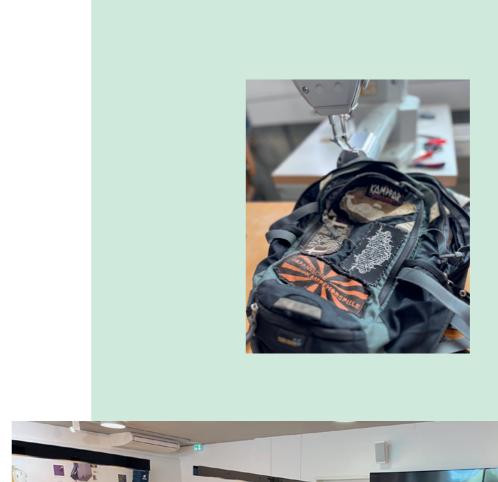


We started a collaboration with Iteratif in the 2022/23 FY. <u>Iteratif</u> works as the mediator between deuter and recycling businesses and carries out Life Cycle Assessments (LCAs) of products.

- Within the scope of this collaboration, we hold circularity workshops for our developers and designers at our headquarters in Gersthofen.
- We are also working with Iteratif on developing a recyclable sleeping bag. We have already achieved 70% recyclability at this stage.
- In the 24/25 FY, we extended our collaboration with Iteratif, and we are currently working on a recyclable backpack (made from single-origin materials). We are also analyzing the recyclability of the backpacks currently in our collections.

#### LIFE CYCLE ASSESSMENT

Life Cycle Assessment (LCA) analyzes the potential environmental impact of a product throughout its entire life cycle, from raw material extraction to disposal.



Circularity Workshop with Iteratif in Gersthofen

# Offcuts from production Sorted by variety Recycling panel Material is compressed using heat and pressure

#### OPTIMIZING MATERIAL USE IN BACKPACK PRODUCTION -SUSTAINABLE RECYCLING OF TEXTILE WASTE

Within the framework of a university project, we are addressing the question of how textile waste from backpack production can be recycled efficiently and sustainably. Faced with the growing burden of textile waste and the increasing demand for resource-saving production methods, we believe there are potential savings in the optimization of material use.

The aim of the project is to come up with a process concept that makes it feasible to use offcuts and end-of-life textiles without compromising the quality and functionality of backpacks.

The project centers around developing an ergonomic, breathable, and robust back system that's made up of a back plate, shoulder straps, and hip belt – with all these components made entirely from recycled polyester. Materials such as foam and metal are intentionally avoided. Instead, we use a single kind of mono-material, which makes it easy to recover and therefore recycle. And the entire production process is set up in such a way as to prevent new waste, which means we're creating a closed loop.

**This process begins directly in the textile factories.** Offcuts from current production lines are sorted and any polyester is separated. These offcuts are shredded and then pressed under

heat and pressure to create solid, dense panels. This creates a durable composite that's ideal for load-bearing components.

By using this heat welded method, we can cut waste by up to 10%. And at the same time make up to 20% cost savings — a significant business advantage. By carrying out this process with our own offcuts and in-house, we are also less reliant on third parties. Components can be made in our own premises, which not only cuts costs but also means that quality checks are easier to carry out.

This project highlights the company's commitment to environmental responsibility and demonstrates the economic viability of implementing sustainable manufacturing strategies. For deuter, it represents an important step towards a viable circular economy.

## CALCULATION AND COMPARISON OF THE PRODUCT ENVIRONMENTAL FOOTPRINTS (PEF) OF TWO MODELS OF THE FUTURA 30 SL HIKING BACKPACK AND FORMULATION OF IMPROVEMENTS FOR PRODUCT DEVELOPMENT AIMED AT REDUCING ENVIRONMENTAL EFFECTS

The steady rise of textile manufacture and consumption worldwide brings with it significant impacts on the environment and therefore require a shift toward more sustainable manufacturing and consumption models. In response to this, the EU adopted the Ecodesign for Sustainable Products Regulation (ESPR) in 2024, which promotes the integration of sustainability into product design and the reduction of environmental impacts throughout the entire product life cycle. As a standardized way of measuring and comparing environmental performance, the European Commission set up the Product Environmental Footprint (PEF) method. This method is based on ISO 14040/14044 life cycle assessment standards and updated as the European Commission Recommendation 2021/2279.

Within the scope of a master's thesis, we carried out a pilot project in which the PEF method was used to assess two versions of the Futura 30 SL backpack. The aim was to calculate and compare their environmental footprint and find ways to improve their eco-design. By taking a cradle-to-grave approach and using openLCA open-source software the current backpack model and its successor model, scheduled to be launched in 2026, were analyzed. The successor model proved to have a lower EF (environmental footprint) compared to the current model in all 16 EF categories, including the categories climate change, acidification and water use. The lower environmental footprint of the successor model is largely attributable to the reduced weight of this version of the backpack. In collecting the lifecycle inventory data, we identified waste scraps that had previously gone undetected. We are continuing to investigate how these scraps were generated so that we can reduce or streamline textile

waste in the cutting process. Using hotspot analysis, we were able to identify the main drivers of environmental impact, which include the production of fabrics from virgin nylon. Which is why, together with our suppliers, we keep working on increasing the proportion of recycled content in our materials to reduce our environmental impact.

Based on the results of the analysis and the eco-design requirements for sustainable products, we were able to define nine actionable areas witsh specific steps for improvement in product design and strategic sustainability. The findings will be incorporated into our backpack development process and into future design, recycling, and end-of-life projects.



Futura 30 SL (2024)



Futura 30 SL (2026)

#### SPATIAL KNOWLEDGE GRAPHS FOR A BETTER OVERVIEW AND ANALYSIS OF THE SUPPLY CHAIN AND RISKS AT DEUTER

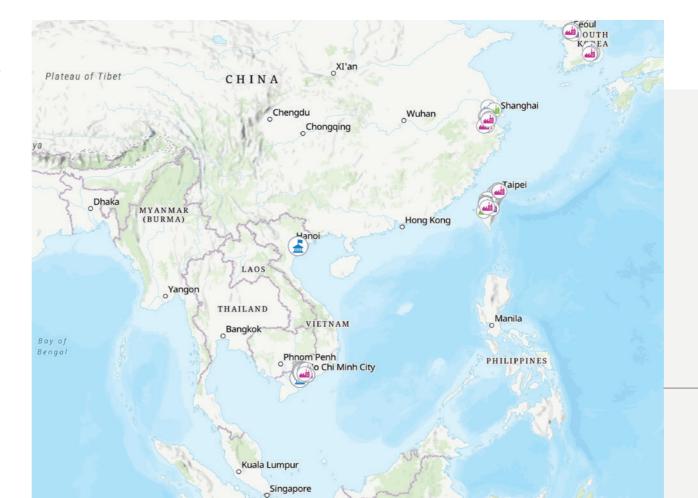
We've developed a model for the integration of spatial knowledge graphs in the supply chain as part of a master's thesis. The aim of the project was to improve the efficiency, transparency and resilience of deuter's global supply chain. With the support of the WWF FWF, with the handling and analysis of geographic risks, this project uses environmental insights to improve our understanding and management of weak spots in the supply chain.

Businesses face a multitude of challenges, including compliance with international standards, minimizing environmental risks and geopolitical uncertainties. Conventional data management systems are often not up to the task of adequately visualizing and analyzing the complex, dynamic relationships within modern supply chains.

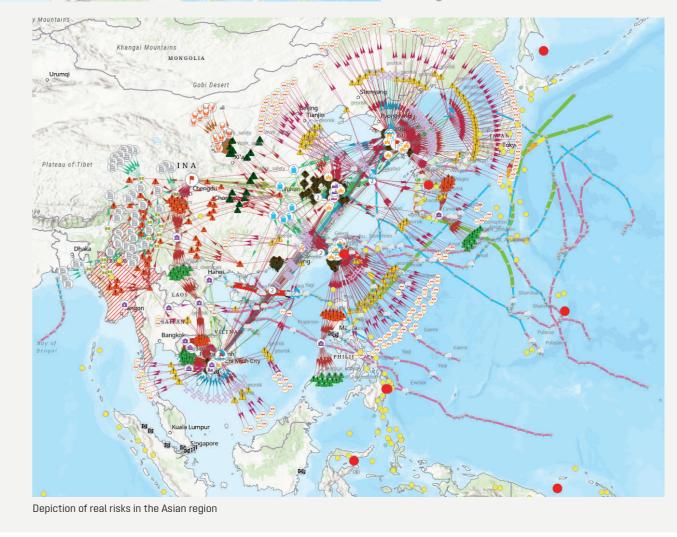
This project used spatial knowledge graphs to provide comprehensive, dynamic and spatial depictions of supply chains. The graphs contain detailed geodata that go far beyond simple area-specific data and consider environmental influences, risks, and the interactions between the various supply chain points.

#### This results in the following advantages for deuter:

- Improved risk management: By integrating and providing an overview of all supply chain data, this approach offers early detection of and response to potential risks.
- Better informed decision-making: The clear depiction of supply chain relationships enables more strategic and informed decisions and communication.
- Sustainability and compliance: This model helps companies comply with legal requirements and implement sustainability practices, leading to better market positioning and increased customer satisfaction.



Map of the Asian region



#### **PACKAGING**

We comply with Afirm Packaging's RSL for all our packaging to ensure that it is free from harmful substances.



#### **POLY BAGS**

- In July 2022, we switched from low-density polyethylene (LDPE) bags to 100% recycled LDPE and RCS-certified poly bags. We also reduced the thickness of our poly bags by 50% to cut our carbon footprint and minimize resources. By making these adjustments and tailoring the size of our bags to individual products we have become more resource efficient.
- Unfortunately, following extensive tests and research, we are unable to
  do away with poly bags entirely because we cannot otherwise ensure that
  our products will not be damaged or soiled during transport.
- At present, bio-based or biodegradable plastics are not a suitable alternative, as their environmental credentials are not significantly better than those of conventional plastics. The environmental impact is simply deferred (German Environment Agency – text in German from 2017)



- We source our shipping boxes for the Gersthofen offices from a local supplier to reduce delivery miles. The boxes are made using 74-100% recycled content and are 100% recyclable.
- Hangtags and header cards are designed with as little plastic or adhesives as possible. Instead, we use folding/creasing techniques.
- In the 2022/23 FY we shifted from boxes to bags made from 100% recycled paper for our accessories and smaller products.



- Assess alternatives to poly bags.
- Assess the possibility of setting up a returns system for our shipping boxes. If feasible, conduct a trial with selected partners.
- Assess other reusability options e.g. for B2C returns boxes or for mailing to the repair workshop.
- Prepare a fact sheet about our shipping packaging
- Case study project with a group of master's students from the Technical University of Applied Sciences Augsburg (THA) as part of SustainLab at THA & IKA Schwaben in the 2025/26 winter semester on the topic: "Sustainable packaging at deuter: analysis, potential improvements, and communication strategies in the context of current environmental and legal requirements."









#### ANIMAL WELFARE

#### **OUR PROMISE**

To consciously avoid animal-based products where possible.

And to ensure, where possible, that all components used in our production chain are vegan.

#### RISK IDENTIFICATION

Because we only use down feathers are <u>RDS</u>-certified from China, the risk is virtually non-existent. And we do not use any other animal-based products.

























#### **EMPLOYEES**

#### **OUR PROMISE**

We believe that everyone who is involved in the manufacturing of our products, either directly or indirectly, should have fair working conditions.

We ensure both our own co-workers in Germany and those of our manufacturing partners benefit from fair working conditions, fair pay, social justice, equal opportunities, and have the possibility of leading a healthy, balanced lifestyle.

#### **VULNERABLE GROUPS**

We are committed to respecting and protecting the rights and needs of vulnerable groups. These include refugees/displaced individuals, female workers, children, migrant workers, home workers and ethnic or religious minorities. The needs of vulnerable groups are identified and laid out in detail in our People Guideline (see People Guideline) as part of risk assessments.

deuter identifies which vulnerable groups are represented within the supply chain, as well as its own business, and takes targeted measures to address their needs.

#### Implementation in the supply chain:

We have identified a heightened risk regarding female workers and home workers within our supply chain. For other vulnerable groups, there is also a potential risk.

#### Transparency and Reporting:

We require our suppliers to be transparent regarding their labor practices and compliance with international labor laws and human rights laws. We will continue to demand that they regularly report on their efforts at considering vulnerable groups of people (e.g. gender-specific personnel and wages data).

#### Audits and Inspections:

We carry out regular risk assessment-based audits in our supply chains to ensure that all workers' requirements are met, including those of vulnerable persons. This includes checking that the social standards outlined in our deuter Promise policy are adhered to.

#### Training and Sensitization:

We supply our manufacturing partners' management teams with training and training materials to increase awareness on the rights and needs of vulnerable groups. For instance, all our

direct suppliers have undergone training on age verification and have implemented these systems in their human resources departments. deuter regularly checks their efficacy and can therefore be relatively certain that child labor is not occurring. Worker Empowerment and Communications (WEPC) training programs also take place regularly at our production sites. Care is taken to ensure that vulnerable groups are proportionately represented at these.

#### Complaints Mechanisms in the Supply Chain:

We establish an effective complaints mechanism that allows our suppliers and vulnerable groups to confidentially report concerns and complaints regarding the upholding of their rights. We are committed to investigating these complaints thoroughly and taking action to resolve any issues.

#### Monitoring and Implementation:

Compliance with the deuter Policy is checked through regular audits and in-person visits. Together with our manufacturing partners, we establish measures for improving social standards, which also incorporate the needs of vulnerable groups. We also support our manufacturing partners in how they deal with vulnerable groups, through specific guidance which is clearly defined in our People Guidelines.

#### RISK IDENTIFICATION

#### Child Labor

Analysis has identified potential risk in Vietnam, China and Taiwan. Mitigation strategies already implemented in the cutting and sewing operations, such as deuter's guidelines for subcontractors, supplier hiring policies, workplace training and regular audits, mean the risk is significantly reduced. The FWF's Age Verification training course, which all our direct suppliers have completed, has provided the HR departments in question with extensive knowledge on how to verify the authenticity of employee documents and has resulted in enhanced vigilance when recruiting young people.

Manufacturing processes further down the supply chain are usually highly mechanized and specialized, which requires workers to be well trained, thereby reducing the risk of child and forced labor.

We are focusing on issues further down the supply chain because current knwoledge here is still limited.

#### Discrimination, sexual harassment, gender-based violence

Analysis has identified a potential risk in Vietnam, China, Taiwan and South Korea. From mitigation strategies already in place in the cutting and sewing operations, such as Worker Empowerment Training through the FWF, as well as audit data, we know



the risk is minimized in Vietnam. Since 2022, all our direct suppliers have been audited by the FWF and none of these indicated evidence of discrimination, harassment or violence.

We recognize however, that this risk is impossible to assess through audits, and so we must assume that there is currently a risk. Especially given that there are more people, in particular women, working in cutting and sewing operations.

Further down the supply chain, the mechanized processes means there are fewer people and therefore the risk is lower – however still present. In view of the potential risk lower down the supply chain in South Korea, Taiwan and China, we are focusing on further mitigation strategies for fabric and material manufacturing operations as well as wet processes. During the 2023/24 FY, a pilot project was started to establish effective complaints mechanisms within the fabric and material suppliers in Vietnam, which also incorporated training events on workers' rights, social dialogue and the prevention of gender-based violence. Because of the modest capacity utilization at these facilities and the limited influence we are therefore able to exert, we continue to use the Higg FSLM Tool as well as our deuter Promise Policy and People Guidelines to raise awareness about the issue.

#### Forced Labor

Analysis has identified potential risk in Vietnam, China and Taiwan. Mitigation strategies already implemented in the cutting and sewing operations, such as deuter's guidelines for subcontractors, supplier hiring policies, workplace training and regular audits, mean that the risk is reduced. Manufacturing processes lower down the supply chain (China, Taiwan, South Korea) are usually highly mechanized and specialized, which requires workers to be well trained, thereby reducing the risk of child and forced labor. But there is residual risk where subcontractors are concerned or even further down the supply chain. However, information is here limited. And so, we are focusing on the lower supply chain with greater diligence.

#### Working hours/ Overtime

Analysis has identified potential risk in Vietnam and China. From mitigation strategies already implemented such as planning far in advance, long production lead-times, and collaboration with the Fair Wear Foundation, the risk is reduced in Vietnam at the cutting and sewing level. Despite deuter's close relationship with Duke, overtime during peak periods could not be avoided altogether. Meanwhile, many cutting and sewing operations are struggling with low order volumes due to a drop in consumer demand. And so overtime hardly took place in our cutting and sewing partner businesses. deuter and our main supplier kept order levels as high as possible by temporarily cutting minimum order quantities, for instance, so that workers would not be drawn to other sectors.

Further down the supply chain, the risk is minimal since processes here are less labor-intensive and therefore fewer overtime hours are likely. We recognize, however, that the measures already taken do not prevent the risk completely. Especially further down the supply chain, and in China in particular, there is still a risk.

But thanks to our long-standing relationship with our direct manufacturing partners, which therefore gives us greater influence, we can focus further mitigation measures on the tier 1 supply chain in Vietnam.

#### Occupational health and safety

Analysis has identified potential risk in Vietnam, Taiwan, China and South Korea. Thanks to mitigation strategies already implemented such as fire safety and first aid training in collaboration with the Fair Wear Foundation, as well as bluesign® System Partnership for our main suppliers, the risk at cutting and sewing level is reduced in Vietnam. But despite improvements made

in recent years, worker safety still poses a challenge for the textile industry. The key issues are fire safety and worker training. Lower down the supply chain the risk is greater because this is where more chemicals are used. With bluesign® certified suppliers the risk is reduced.

Since the risk at the cutting and sewing stage is minimal, we are focusing on risks further down the supply chain.

#### Freedom of association and the right to collective bargaining

Analysis has revealed there is a potential risk in almost all manufacturing countries where freedom of association and the right to collective bargaining in the supply chain are concerned: in China (tier 2+3), Vietnam (tier 1), and South Korea and Taiwan (tier 2+3). Although we can assume that the sector risk is reduced in Vietnam thanks to our close business relationship and regular inspections, collective bargaining and freedom of association, are not guaranteed however, because of the political framework. Instead, we encourage social dialogue in the factories through FWF training, for example.

Information is limited further down the supply chain, and so here, there is a potential risk.

But thanks to our long-standing relationship with our direct manufacturing partners in Vietnam, we can focus further mitigation measures on the tier 1 supply chain. And we are also looking at the situation further down the supply chain, especially in China.

#### Wages and welfare benefits, living wage

Analysis has identified potential risk in Vietnam, Taiwan, China and South Korea. Workers in the textile industry are generally not paid a living wage. The rise in cost of living poses a risk that wages will not be sufficient. Because of mitigation strategies already in place with tier 1 suppliers, such as working closely with the Fair Wear Foundation and our direct manufacturing partners in Vietnam, our direct suppliers pay wages that exceed the minimum wage in Vietnam. We are currently in discussions with our suppliers on increasing tier 1 wages. At our supplier Duke in Vietnam, the special circumstances (100% capacity utilization) give us better opportunities to support positive development. Lower down the supply chain in China, South Korea and Taiwan, where information is less comprehensive, there is a potential risk because there are greater numbers of workers in tier 1 than tier 2.

Because of our long-standing partnership with our manufacturers and resulting influence we are focusing on mitigation measures at the cutting and sewing level in Vietnam.

We are aiming to increase the proportion of employees receiving the minimum wage to 70% by 2030.



#### **OBJECTIVES & MEASURES**





SYSTEM PARTNER



Wear.org

Wear.org

Communication

Promise Policy, People Guideline

CSR Trainings for employees

Policy (Conduct,...)

Framework

Good and socially fair working conditions for all employees

Compliance with ILO core labour standards and human rights

Risk assessment as a living document

**FWF Audits** 



bluesign

Promise Report, Website

Social media







Track progress

Visits by CSR-Team

FWF Audits + CAPs

Worker Empowerment Training

**FWF Trainings** 

Avoig mitigate remedy

Complaint mechanism (FWF & atlat)

Higg (



#### COHERENT SYSTEM FOR MONITORING AND REMEDIATION

The CSR team plans regular audits together with FWF to effectively monitor deuter's production sites. These audits are scheduled once every 3 years, at most, to get a precise overview of the status of each factory. If there is an increased risk, then intervals between audits are shortened or scheduled according to need. deuter uses local FWF audit teams where possible to ensure the highest standards are upheld. This is

particularly important for us, since off-site worker interviews

are a key element of these audits. These allow a better insight

into the real situation in factories and can throw up issues

which were not apparent in the factory audit.

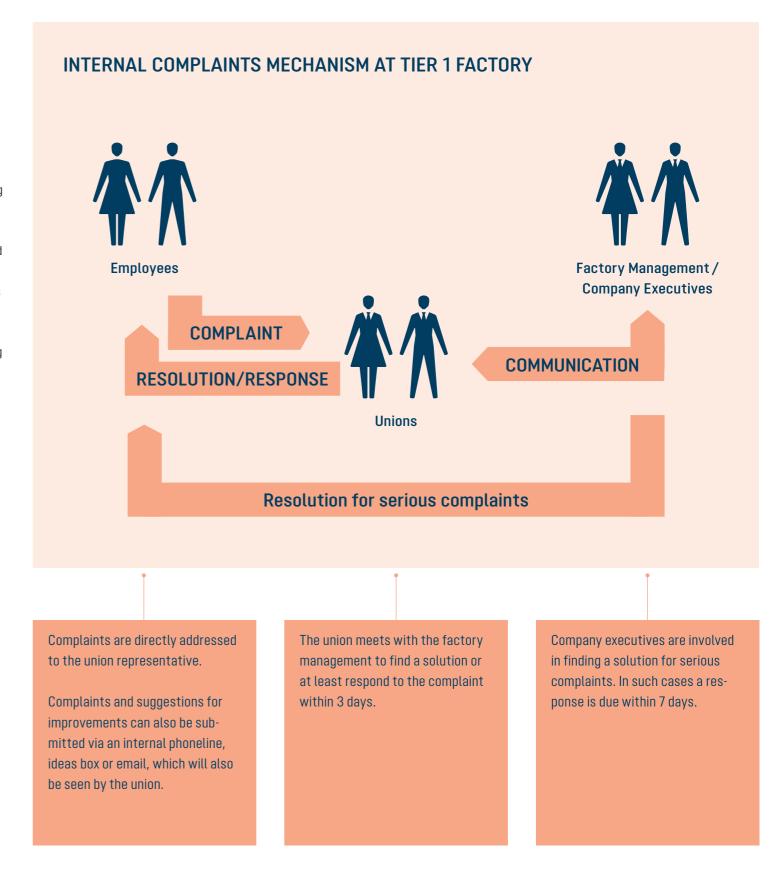
The deuter CSR team then follows up on timebound improvement plans which arise from these audits and risk assessments by email, Skype or video conferencing calls, and through in-country site visits by deuter employees. These visits take place yearly. Where production sites are shared with other FWF members, then synergies will be exploited to achieve improvements together. During the remediation process, deuter con-

siders FWF country studies as well as legal regulations relevant to the manufacturing location. Recommendations and requirements that are listed in the FWF audit report also form part of the remediation process.

Audit reports are discussed as part of regular meetings (min. twice a year) between the senior management teams from deuter and our suppliers. This practice adds weight to audit results and follows up on corrective action plans. Where subcontracting takes place, Duke and High Rock are responsible for monitoring working conditions at its subcontractors' factories. Both suppliers have a designated CSR team at their headquarters and their production sites. Duke's CSR staff rank highly within the management hierarchy and are therefore able to address issues effectively with senior management.

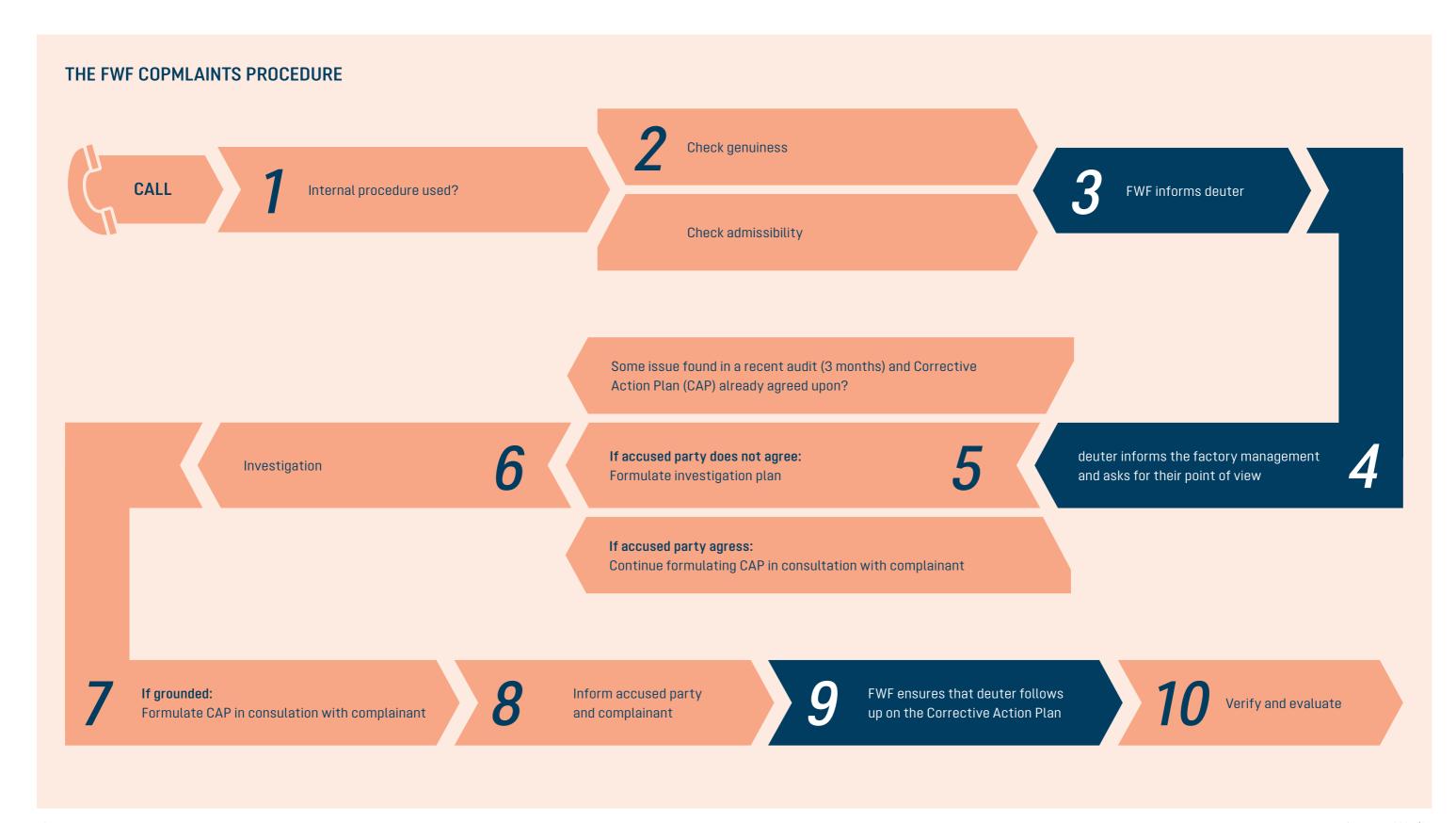
Based on risk analyses results, deuter schedules worker training on specific themes together with its suppliers.

#### TIER 1 COMPLAINTS HANDLING



#### COMPLAINTS MANAGEMENT USING THE FWF COMPLAINTS SYSTEM

All manufacturing sites and subcontractors must have the Code of Labor Practices (CoLP) information sheet clearly on display in an easily accessible public area within the factory. This info sheet contains the contact details for the local complaints handler and is, of course, written in the language of that country. Correct display of the workers' info sheet is verified during regular visits by deuter staff or through appropriate documentation thereof.



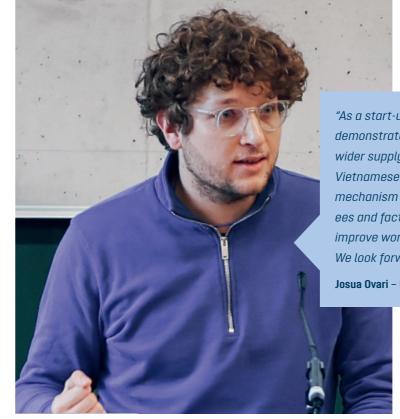
#### TIER 2 COMPLAINTS MANAGEMENT

#### COMPLAINTS MANAGEMENT USING THE ATLAT COMPLAINTS SYSTEM

We have been working with software developer atlat since 2020 to improve workers' rights in the deeper supply chain and to give workers access to effective complaints mechanisms.

atlat offers a new digital complaint system that allows workers to submit complaints through an automated chat and enables brand employees to track and process these complaints on the associated resolution platform. atlat's digital complaints system gives deuter a direct link to workers at production sites. With the help of automated translations, any language barriers are significantly reduced. The digital complaints system also allows workers to remain anonymous and is accessible at any

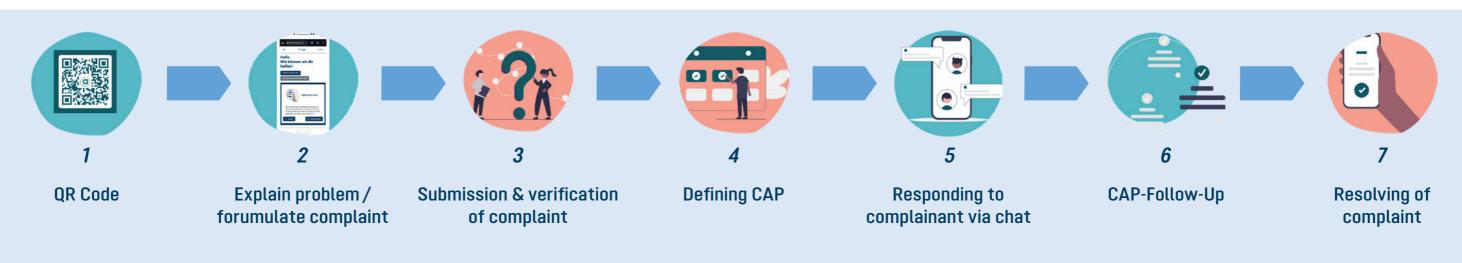
As part of a study and a testing phase at deuter's production partner sites in Vietnam, workers were involved in further improving the complaints system. The aim here was to incorporate their specific needs and to ensure better adoption of the system.



"As a start-up with strong partners behind us, we are proud to demonstrate what corporate responsibility can achieve in the wider supply chain. Using on-site training provided by the Vietnamese NGO CDI, we were able to set up our complaints mechanism and its accompanying digital surveys with employees and factory management. This has made it possible to improve working conditions in factories in several areas. We look forward to our continued collaboration."

Josua Ovari - CEO atlat

#### THE ATLAT COMPLAINTS PROCEDURE



Workers scan the QR code with their smartphone etc. or follow a direct link to the atlat complaints chat.

Workers provide answers to automated questions in the chat. They can remain anonymous.

deuter views the complaint via atlat's resolution platform and verifies it through follow-up questions to the complainant using the chat with its translation feature and by contacting the factory management team.

Together with the factory management team, deuter develops a Corrective Action Plan (CAP) and documents this on the platform. Depending on the nature of the complaint, local experts or organizations are consulted.

deuter provides an initial response to the complainant within 5 working days of submission and formulates a plan for resolving the complaint within 30 days.

deuter has regular communications with the factory management team about CAP progress. Progress is documented on the platform.

Once an issue has been resolved, the CAP is closed, and the complainant is informed of this by deuter via the atlat chat. The complainant then confirms the problem has been resolved within their interest or alternatively will formulate a new complaint or inform deuter on further need for action.

atlat's digital complaints system is implemented in our deeper supply chain in a three-stage process that creates an effective grievance system and which, through targeted training, gives workers confidence and security.

1

Capacity Building /
Empowerment of workers
and management

2

Establishing a functioning internal grievance mechanism

3

Implementing an external digital complaint system



Addressing and resolving concerns or complaints internally should always be the first course of action, and this requires effective internal complaints mechanisms to be in place in factories.

It is only when these internal systems are unable to find a resolution, or workers do not trust them, or when a safe place is needed to discuss sensitive topics, that atlat's anonymous and external complaints system should be used. It acts as a reliable alternative or back-up system that workers can access.

The first step was therefore to raise awareness about the process. This was done through training about workers' rights for both factory management teams and their workers, and by improving communication between them. There was also a training component on the prevention of gender-based violence and how to tackle it. Furthermore, both parties were made aware of the benefits and trustworthiness of complaints systems to ensure that workers can raise complaints without fear of retribution from factory managers.

This project was developed in collaboration with Ortovox Sportartikel GmbH and CARE Germany as part of the Partnership for Sustainable Textiles' collective efforts. In the 2024/25 FY, the project was successfully completed with 9 fabric and materials suppliers in Vietnam.

Training took place in-house at our manufacturing partner sites and was tailored to the specific requirements of each factory. It was carried out by the Vietnamese charity, Center for Development and Integration (CDI). CDI is an expert in complaints mechanisms and in the promotion of workers' rights and the protection of vulnerable people in the textile industry.



During the project period, four complaints were submitted via the atlat platform, which we responded to promptly via chat. In two of the four cases, a solution plan could be developed, as the complainants indicated the respective factory. The factories were very cooperative and provided additional data and documentation, which was shared with the complainants via the atlat platform. Furthermore, we reached out to the complainants several times to request further feedback in order to enable a more in-depth case review and, if necessary, remediation measures. However, as no response was received over several weeks, the cases were eventually closed. In the other two cases, no factory was named, which made targeted follow-up difficult. Nevertheless, general country-specific information related to the complaint topic was provided via the chat. Again, no further response was received despite repeated contact attempts over several weeks, so no concrete measures could be developed and the cases were closed.

Although the complainants did not respond again and a deeper investigation was therefore not possible, we gained valuable insights for improving our internal processes. The low number of complaints, along with two employee surveys conducted during and at the end of the project, also indicate that internal grievance mechanisms are well established and preferred by employees.

Complaints mechanisms are an important aspect of preventative and remedial measures for deuter and our manufacturing partners. It helps us support workers' rights, identify risks in our supply chain in good time, and take effective remedial action when needed.

"Improving workers' rights and ensuring access to grievance mechanisms are two fundamental pillars of our deuter Promise, promoting fairness and accountability throughout our supply chain. We aim to create a corporate culture in which every voice is heard, and all concerns are addressed in a safe and professional way.

This project has helped us extend our commitment downstream in the supply chain. Which is an important step in minimizing risk with our indirect suppliers and helps strengthen the bond we have with our partners through collaboration and greater trust in each other.

We are working together with ORTOVOX, CARE, atlat and CDI as our local partner, to find sustainable solutions.

We are delighted to have them as partners by our side, supporting us with their expertise and networks, and generating real momentum."

deuter Promise Re

Natalie Birke – CSR Manager, deuter Sport GmbH



#### STAKEHOLDER ENGAGEMENT AND COMMUNICATION

Stakeholder engagement plays a key role in the deuter corporate strategy. Regular and open communication with all parties along our value chain helps us make informed decisions and achieve long-term, sustainable improvements. Involving employees and other key stakeholders particularly promotes transparency and generates trust, which in turn helps to strengthen the entire supply chain.

By carrying out audit interviews with employees, digital questionnaires (tier 2) and targeted training, such as our WEPC training, we can raise awareness of workers' rights and promote

social dialogue. Effective complaints mechanisms like those of the Fair Wear Foundation and atlat allow us to resolve situations efficiently. In addition, our involvement in sector initiatives, such as projects in Vietnam, contribute to sector-wide improvements. The OECD suggests that stakeholder engagement not only helps identify and mitigate risks at an early stage, but also boosts trust in companies and enhances their legitimacy. It's these principles that also guide our efforts: A close working relationship with our partners and stakeholders is essential in achieving sustainable and fair working conditions.



MAKING EMPLOYEES' VOICES
BETTER HEARD DURING AUDITS AND
THROUGH EMPLOYEE SURVEYS



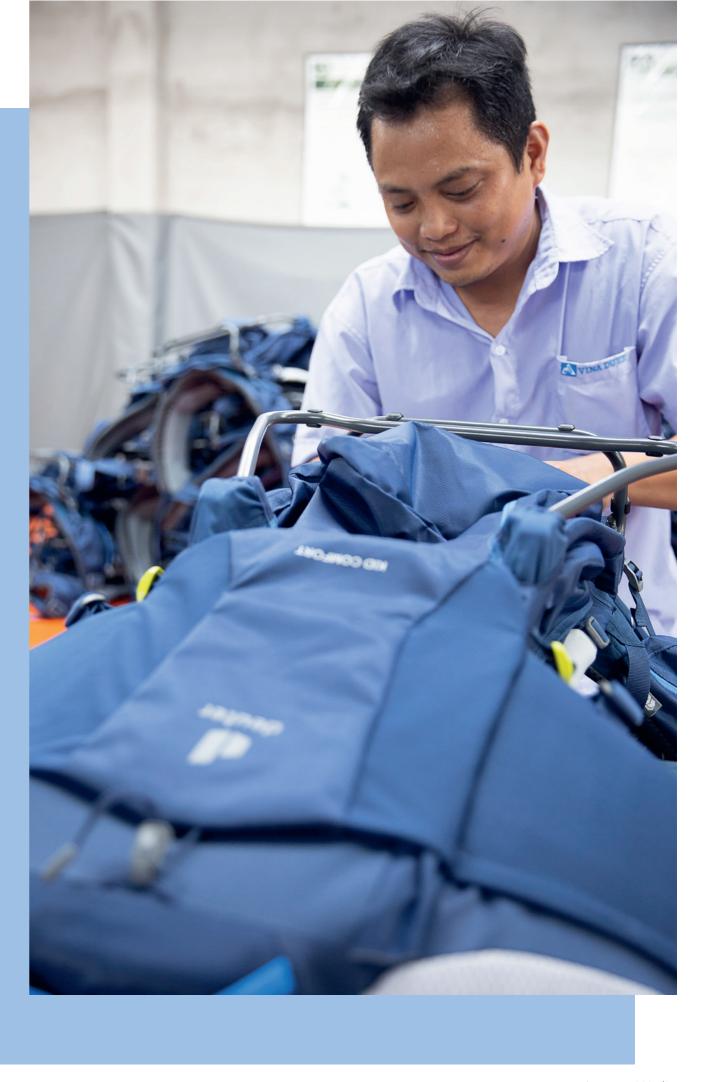
MORE OPTIONS FOR EFFICIENTLY
TACKLING PROBLEMS BY USING
EFFECTIVE COMPLAINTS MECHANISMS



ACHIEVING INCREASED AWARENESS FOR WORKERS' RIGHTS AND ENCOURAGING SOCIAL DIALOGUE THROUGH TARGETED TRAINING



CROSS-SECTOR
COMMITMENT



#### DUKE FACTORIES / VIETNAM

We remain in in close contact with our key suppliers about working conditions at their facilities. Despite the challenging market situation at present, our parent company Schwan Stabilo has decided to offer financial support for modernization measures needed at Duke's production sites. Duke has therefore been able to invest in a solar PV system, for example, and upgrade its machinery, which has had a positive impact on working conditions and workplace safety.

We started the financial year with three production sites.

Hoc Mon, Duke's smallest and oldest site, was reopened during

the pandemic, at a time of high order volumes, to cut subcontractor overtime hours. Now, however, Duke is closing this site and transferring all its workers who want to, to its second-largest production facility in Cu Chi. All of the employees were informed in good time about the closure and the option of continued employment.

Prior to the closure, our Head of CSR visited the site to review the CAP of the 2023 audit and their termination procedures.

# deuter Head of CSR with the manager of Hoc Mon at the manufacturing site closure check

Computerized sewing machines for automated back panel stitching

#### **SUBCONTRACTORS**

To meet our needs as well as the needs of its factories, Duke subcontracts small sections of its production, where necessary (e.g. backpack components such as shoulder straps). This prevents production bottlenecks and means they can better cope with spikes in order levels.

We came to an agreement with Duke, that CMT (cut, make & trim) subcontracts would only be given to factories where there is already an existing relationship, and that new subcontractors would require approval from deuter. Our shared goal is to keep the number of subcontractors, to a minimum so that any associated risks are also minimized.

Employing subcontractors is the responsibility of our manufacturing partners, because deuter has no direct business relationship with these smaller factories. In such cases, deuter's policy for subcontractors must be observed. deuter and Duke have developed a system together that helps evaluate all subcontractors and ensures the workers in these factories have

access to the FWF complaints hotline and are aware of its Code of Labor Practices (CoLP). Subcontractors that are part of the pool of suppliers are regularly visited or audited, just like the main factories.

Subcontractor agreements are also used by Duke in situations where they do not have the technology that's required. This applies to printing and embroidery.

Subcontracting inevitably entails an increased risk of non-compliance with the FWF CoLP. This risk can be reduced through inspection visits and regular checks by Duke employees. deuter publishes information on the Open Supply Hub and together with Duke has agreed upon a strict subcontractor policy.

During this financial year, aside from Duke's subcontractors that take care of embroidery and printing, hardly any CMT suppliers were used.

#### SUBCONTRACT SELECTION

deuter does not have a dedicated procurement or sourcing department because we do not swap and change suppliers. The process of selecting new subcontractors, should they be required, is the responsibility of deuter's partner Duke because deuter has no direct business links with these smaller factories.

CSR Staff assessment form



2 Signature of FWF Agreement



3

FWF Code
of Labour
Practices
(COLP) must
be displayed

Orders are

5

2023

nnual neck

#### WEPC TRAINING AT CU CHI AND COUNT VINA MANUFACTURING SITES

# WHAT ONBOARDING TRAINING IS ABOUT

The FWF onboarding training aims to move companies beyond auditing and corrective action, and towards workplaces where issues are raised and resolved through open communication.

The onboarding training aims to provide factory managers and workers with the tools they need to start an open dialogue about issues and opportunities in the workplace and about how to improve working conditions in the factory. Increased awareness about labour standards, together with functioning grievance systems, can contribute to improve working conditions.

Fair Wear Foundation provides both general and countryspecific modules.

WHAT WEPC TRAINING IS ABOUT

WEP Communications Training builds on the Basic onboarding training and focuses on discussions between the leadership and workers in the factories. It is designed to help with better communication and therefore help resolve complaints and concerns before they have to be dealt with through the official grievance procedure system. *This module has been developed to:* 

- build up worker and management communications and problem-solving skills.
- create a working environment that supports and encourages management to enter dialogue with employee representatives when problems are raised.
- improve factory management's ability to engage in dialogue with brands about their practices, which impact on working conditions in the factory.

The module takes one year to complete. It encompasses an introductory meeting, two main course units and three satellite course units, which are tailored to a specific company's needs.

Upon completion, it is expected that both parties – management and workers – can recognise the advantages of working together in bringing up and resolving workplace issues. And to view collaboration of this sort as the new norm.

During this financial year, we carried out a second WEPC training in Duke's Cu Chi site. Communication skills of the employees and management improved considerably, paving the way for regular dialogue. Both parties were very positive in their assessment of this round of training. A follow-up plan is currently being developed, and the outcome of the training will be shared with Duke's Count Vina production facility to best prepare them for the start of their WEPC training.

Despite frequent interruptions and extended breaks during the first wave of the pandemic, the training program took place during the second wave of Covid 19 over the course of a year, with five training sessions and largely consistent participation. The management's reservations about involving employee representatives in decision-making processes were significantly reduced. In the final survey, the employees demonstrated noticeably greater self-confidence and felt empowered by the training to bring up their own concerns. The current challenge is to independently apply what was learned in the training. deuter is supporting Duke on this journey and is setting a positive example internally.



WEPC training by the FWF in Vietnam

#### AUDIT FOLLOW UP AND WAGE PROGRESS DUKE VIETNAM

In November 2023, two full audit assessments were carried out at Duke's largest backpack production sites, Cu Chi and Count Vina. These were summarized in a final report and a corrective action plan (CAP) and followed up throughout the financial year by the deuter CSR team together with the Duke CSR team. (timebound improvement plan).

Aside from smaller occupational safety improvements that had to be implemented at both production sites, the document check revealed that some of the recently introduced Vietnamese labor law provisions had not yet been fully implemented.

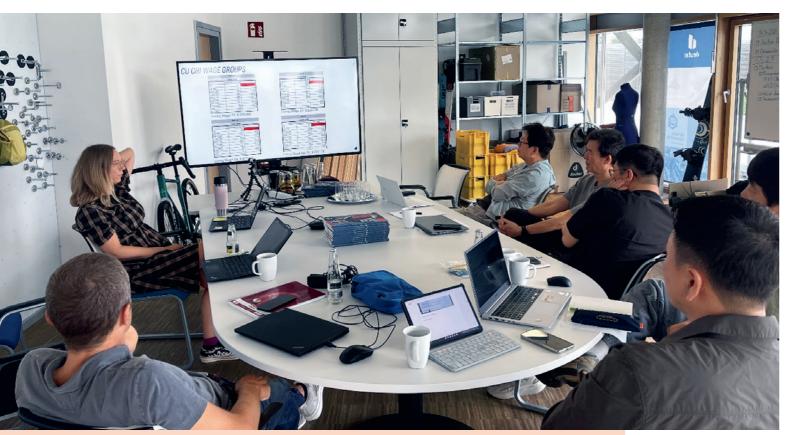
Some of these provisions set out processes for involving employees in matters such as joint wage negotiations and general workforce meetings. Here, the corrective action plans correspond to what deuter and Duke aim to achieve together in the follow-up to the Worker Empowerment and Communications (WEPC) training. The first important steps toward supporting a functional dialogue is with the successful completion of the training.

#### WAGE PROGRESS AT DUKE

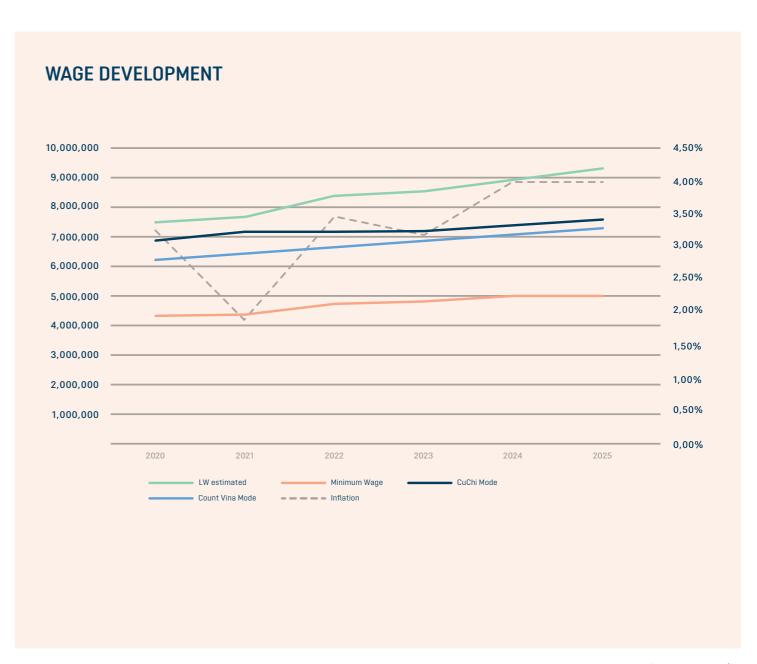
The wage progress in both of Duke's manufacturing sites continues to rise (see graph).

Wages continue to progress in a positive direction, and we are working together on further improvements. Looking at the data from 2020-2025, wages have increased at a consistent rate across almost all areas. The wage graph depicts the median wage.

Both the minimum wage and the Living Wage Benchmark go up in line with that country's inflation. But wages did not rise sharply enough during the last financial year to get significantly closer to the Living Wage Benchmark. And so deuter and Duke agreed on a Living Wage Strategy, which aims to improve transparency in the process of determining product costs. The more transparent the pricing, the better Duke and deuter can ensure that more workers are receiving a living wage and that we are hitting our KPIs. Implementation of the strategy was delayed and began at the end of the financial year. But wage gap analysis showed improvements at both locations.



The CSR Team, the deuter leadership team and Duke top management discuss wage gap analysis 24/25



#### WAGE GAP ANALYSIS FOR LIVING WAGE — OVERVIEW

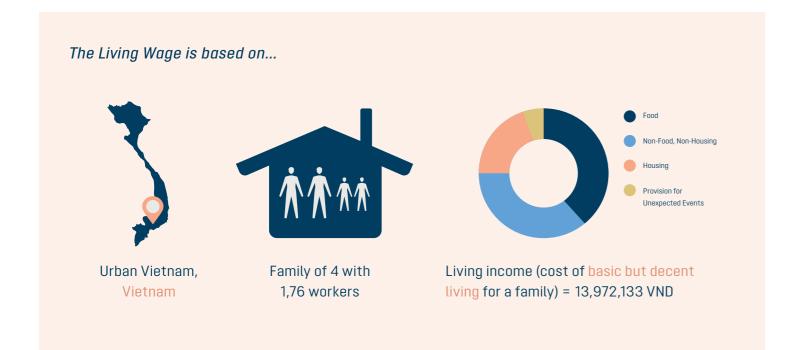
Factory: Vina Duke Cu Chi, Vietnam Currency: Vnd

	MARCH	1 2022	JUNE 2023		MARCH 2024		JANUARY 2025	
Projection	24 days					25 days (Actual LW gap)		
LW*	149	9.4%	157	9.4%	76	4,7%	180	11.5%
LW > 8 M	116	7.4%	100	6.0%	97	6.0%	53	3,4%
8 M > 7.5 M	183	11.6%	161	9.7%	126	7.8%	109	7.0%
7.5 M > 7 M	260	16.5%	233	14.0%	251	15.5%	168	10.7%
7 M > 6.5 M	348	22.1%	384	23.0%	341	21.1%	289	18.5%
6.5 M > 6 M	287	18.2%	382	22.9%	412	25.5%	406	26.0%
6 M > 5.5 M	165	10.5%	207	12.4%	221	13.7%	272	17.4%
5.5 M > 5 M	52	3.3%	44	2.6%	79	4.9%	64	4.1%
< 5 M	18	1.1%		0.0%	12	0.7%	22	1.4%
Total:	1,578		1,668		1,615		1,563	
LW* in VND (per month)	8,606,0	000 VND	8,606,008 VND		8,970,296 VND		9,329,108 VND (estimated)	

<sup>\*</sup>LW=Living Wage

Wage brackets: The percentage of employees in the wage brackets listed is shown here.

For example, 8 M>7.5 M: this bracket includes all workers who earn between 7.5m VND and 8m VND per month.



Factory: Vina Duke Count Vina, Vietnam Currency: Vnd

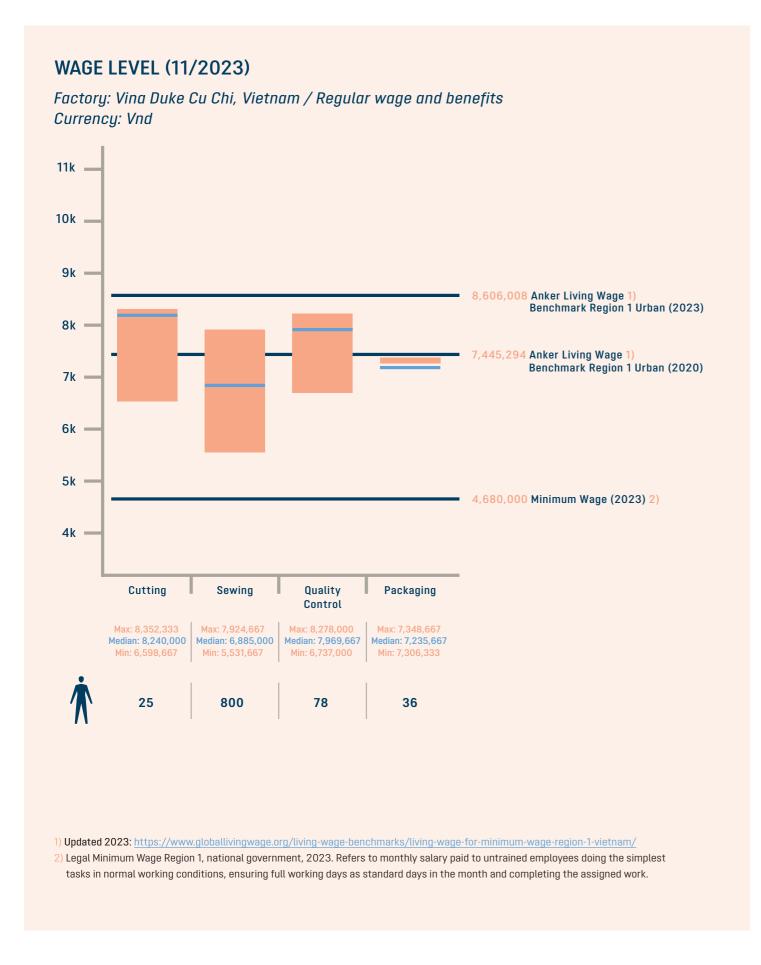
	MARCI	H 2022	JUNE 2023		MARCH 2024		JANUARY 2025		
Projection	24 days					25 days (Actual LW gap)			
LW*	31	2.6%	20	1.4.%	18	1.7%	47	4.5%	
LW > 8 M	30	2.5%	19	1.4%	15	1.4%	19	1.8%	
8 M > 7.5 M	64	5.4%	18	1.3%	20	1.9%	24	2.3%	
7.5 M > 7 M	113	9.5%	48	3.4%	39	3.6%	55	5.3%	
7 M > 6.5 M	214	18.0%	150	10.7%	167	15.5%	157	15.1%	
6.5 M > 6 M	347	29.1%	429	30.5%	338	31.4%	243	23.4%	
6 M > 5.5 M	241	20.2%	504	35.9%	372	34.6%	314	30.2%	
5.5 M > 5 M	109	9.1%	178	12.7%	94	8.7%	153	14.7%	
< 5 M	43	3.6%	39	2.8%	12	1.1%	27	2.6%	
Total:	1,192		1,405		1,075		1,039		
LW* in VND (per month)	8,606,000 VND 8,606		8,606,0	.008 VND 8,9		8,970,296 VND		9,329,108 VND (estimated)	

#### ANKER LIVING WAGE BENCHMARK

The Living Wage Benchmark for Vietnam is an important indicator that establishes the income required to meet the basic needs of a worker and their family. This wage is higher than the legal minimal wage and takes into account factors like food, accommodation, health, education and other basic outlays. The Anker Living Wage Benchmark is an internationally recognized standard, that compares the cost of living across different countries.

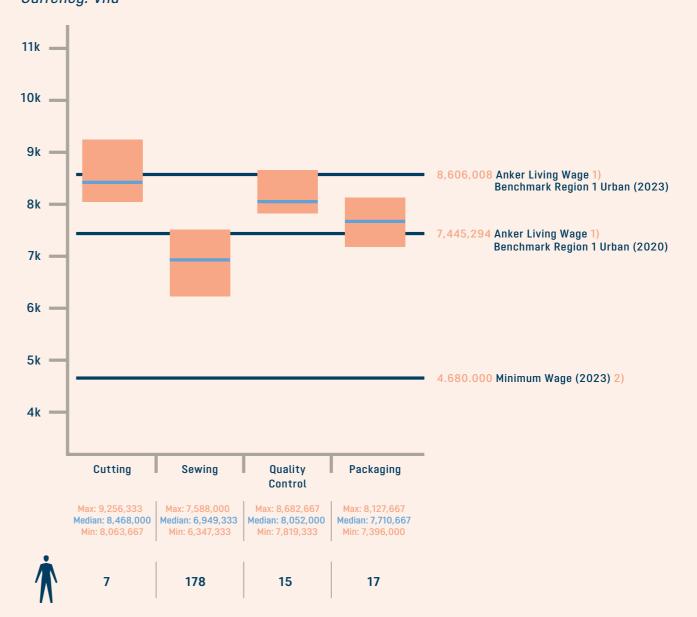
Over time, this benchmark has risen as various factors have contributed to an increase in the cost of living. Economic growth, urbanization and inflation are driving up the prices of goods and services. Added to this, rising welfare expectations and higher standards where quality of life and education are concerned. Also changes in the work market such as increased industrialization and globalization which lead to greater awareness on fair pay and fair working conditions.

In summary, the Anker Living Wage Benchmark in Vietnam is regularly adjusted to reflect rising costs of living and to ensure a fair livelihood for workers and their families.

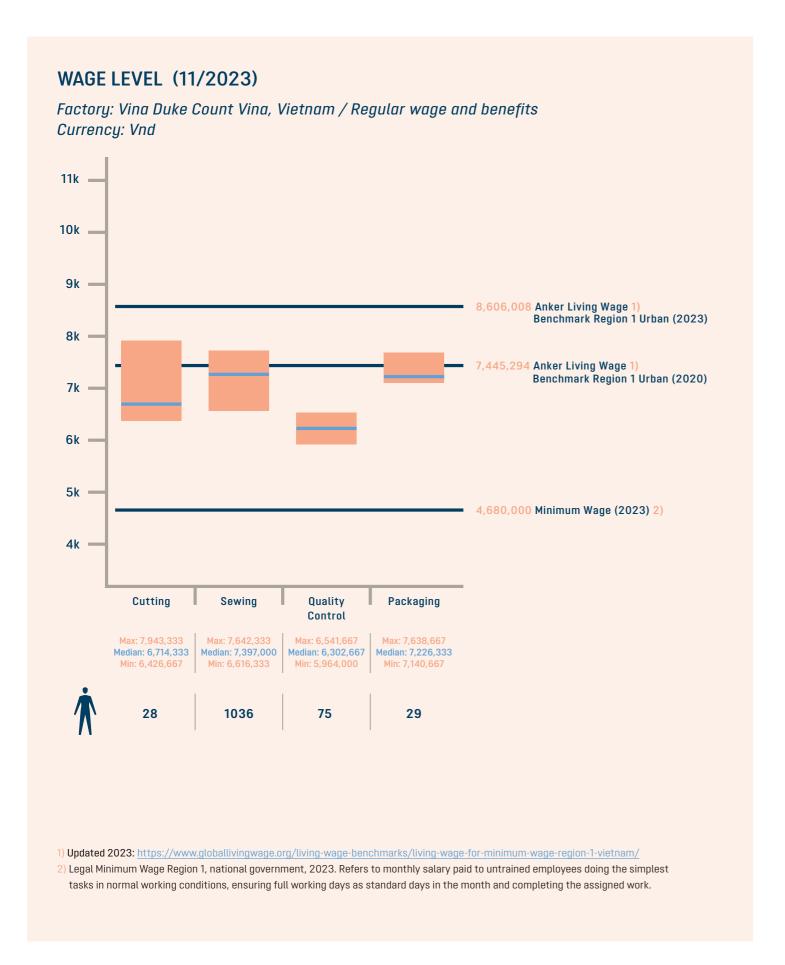




Factory: Vina Duke Hoc Mon, Vietnam / Regular wage and benefits Currency: Vnd



- 1) Updated 2023: https://www.globallivingwage.org/living-wage-benchmarks/living-wage-for-minimum-wage-region-1-vietnam/
- 2) Legal Minimum Wage Region 1, national government, 2023. Refers to monthly salary paid to untrained employees doing the simplest tasks in normal working conditions, ensuring full working days as standard days in the month and completing the assigned work.







#### HIGH ROCK VIETNAM

In the first year of collaborating with High Rock, Vietnam, they proved a reliable manufacturing partner. Following the lead of another FWF brand, we worked together on their CAP. High Rock managed to resolve all outstanding issues in the corrective action plan, with only wage levels remaining below the current living wage benchmark. High Rock informed us that wages have been raised. An audit scheduled for August 2025 will provide information on this.

This information will also be used by other FWF brands that have joined the Swiss Partnership for Sustainable Textiles' "Fair Wages for Vietnam" initiative to learn more about wage structures in Vietnam, and with a view to developing joint strategies on reducing the wage gap.

High Rock showed good progress in communication and in organizing worker participation. It also restructured its employee representative bodies so that no member of the management team now holds a senior position there.

During a visit to the sites, they did not find any deviations from the CAP. By the end of the financial year, only the follow-up to the WEPC training had been completed, which was finalized in November 2023 after several interruptions due to the pandemic.



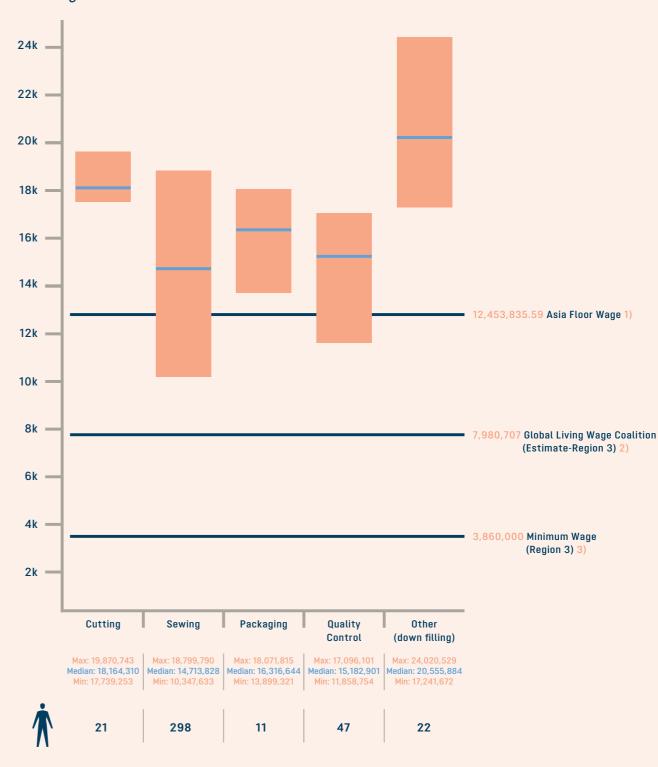
Making deuter sleeping bags at High Rock

#### FWF - ACTION PLAN

We've created a Timebound Improvement Plan table to track our goals and measures, which can be found <u>here</u>.

#### **WAGE LEVEL**

Factory: High Rock Recreation Products Co Ltd / Regular wage and benefits Currency: Vnd



- 1) The Asia Floor Wage based on the consumption Survey 2024 in Vietnam
- 2) Source: https://www.globallivingwage.org/countries/vietnam/

This report provides updated estimates of family living experiences and living wage for Minimum Wage Region 3, Vietnam. The update for 2024 takes into account inflation and changes in payroll deductions since the original Anker Benchmark study carried out in November 2022. Fair Wear will use this benchmark from August 2025.

3) Issued by the Government as of July 2024.





#### **CUSTOMERS**

#### **OUR PROMISE**

We design our products with the aim of maximizing their usable lifetime and minimizing their impact on people, animals and the environment.

That our high-quality and reliable products meet specific customer needs and are sustainably made and long lasting to generate better value.

#### RISK IDENTIFICATION

Analysis has identified a general risk across the textile industry of a lack of transparency in global supply chains, and an oversupply of products with shorter service lives, which do not promote responsible consumerism. To counteract this, we strive for the greatest possible transparency regarding our suppliers and our strategic measures. This is evident in the wider scope of our sustainability report to include environmental issues. We also focus on making products of high quality and adopting our repair service to foster more sustainable consumerism.

#### **MEASURES**

The measures we adopt for the two actionable areas of customers and society are explained below.















#### SOCIETY

#### **OUR PROMISE**

As an international brand, we use our influence to bring about positive change in society.

To help people in need and organizations that fight for equality and better lives. And to participate in initiatives with a view to bringing about social change.

#### **RISK IDENTIFICATION**

#### Corruption and bribery

Analysis has identified a systemic risk of corruption in Vietnam and China. Suppliers in the cutting and sewing tier are aware of the deuter Policy Statement, which prohibits corruption.

We recognize that this only marginally reduces the risk. Awareness further down the supply chain is limited, and so we must assume the risk here is high.

Because of the limited influence we can have on the issue of corruption, we are not focusing on this topic. We would, however, like to raise awareness about this issue throughout our supply chain.



#### OBJECTIVES & MEASURES - CUSTOMERS AND SOCIETY



#### MAKING CSR EVIDENT FOR CUSTOMERS

#### TRANSPARENT COMMUNICATION

At deuter, we firmly believe that transparency is essential for the continuous improvement of social and environmental standards. With our annual Promise Report, we illustrate what obstacles have already been overcome and which still remain.

And on social media, we can spread information so that any questions about our manufacturing processes and our commitment to sustainability can be put directly to us. In our 'Together we care' CSR campaign in March 2024, we produced animated videos on the topics of bluesign® system partnership, Fair Wear Foundation membership, PFAS-free manufacture and animal welfare, and shared these over the course of several weeks. We also released videos on social media of interviews with the product designers to explain the topics of PFAS free and Design for Recyclability.

Our collaboration with <u>lfixit</u> was also highlighted on Instagram. We regularly create collaborative posts with bluesign® to raise awareness about developments in the materials used in our collections.

We have also released <u>explanatory videos</u>, focused on the individual parts of a backpack. The aim here is to create understanding for just how many parts a backpack is made of, and therefore what it means to have each individual part certified.

#### **DEUTER PROMISE TOUR 2024**

As part of the deuter Promise Tour 2024, customers were able to take their deuter backpacks to participating retailers in Braunschweig, Dresden und Gersthofen on three dates in October and November, and have them repaired in-store, free of charge. It was a very popular scheme. Some customers even traveled for two hours to benefit from it.

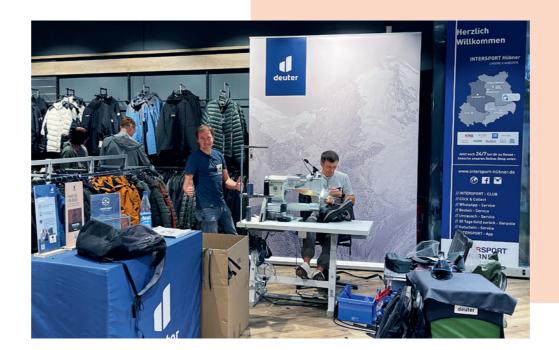
During the event, customers not only benefited from the skills of the deuter repair team but also took the opportunity to ask for advice about products. The event highlighted that there's very little that can't be repaired at deuter. And supported our progress in producing lasting products, which visitors to the event really appreciated.

In addition, employees from participating retailers were given extensive information about our sustainability strategy and the deuter Promise that underpins it. The aim of the tour was to raise awareness about responsible business practices and to convey our approach to sustainability. As a result, the deuter Promise became accessible for many people. The positive response shows there is increasing interest in sustainable solutions and demonstrates how convincing our mission is.



deuter





#### ACTIVITIES TO INFORM DEUTER STAFF MEMBERS AND DISTRIBUTORS

deuter arranges bi-annual training for international deuter staff and distributors (covering FWF and other sustainability measures) through presentations and/or workshops during international sales meetings. Twice a year, the CSR team hosts training for new deuter employees (as well as some longer established employees) about the deuter CSR strategy.

The 'deuter Get the Facts' website hosts CSR training videos on topics such as the Green Button label, climate neutrality and recycled materials. These are available to retail partners, employees and customers to watch.

The <u>deuter website</u> offers detailed information on all our sustainability strategies and targets for the coming years.

#### **GREEN FRIDAY**

Instead of encouraging consumerism through discounts, we decided to put that money into an environmental project of our choosing. As part of *Green Week 2024* we championed nature conservation and supported an initiative that is particularly close to our hearts: *ACT & EDUCATE mit @plasticfreepeaks.* 

**PATRON e.V.** a non-profit organization committed to a world without plastic waste, took the lead in this initiative. By organizing clean-up events and workshops on outdoor sports and nature conservation, PATRON managed to raise awareness about treating our environment with respect and inspiring people to protect our planet.

To support this work, we donated 10% of our online sales at deuter.com to PATRON e.V. in participating countries between November 22 and 29, 2024.

PATRON has a vision for a natural world free from plastic waste. As a charitable organization, PATRON has set out to help restore and protect natural habitats. Its clean-up events and workshops instill greater awareness and hope to encourage people to let their nurturing side come out. Since its first 'CleanUP' days in the Allgäu region of Germany in 2019, PATRON has made huge progress. In 2023, up to 20,000 PATRON supporters helped get closer to their shared goal of #plasticfreepeaks.



#### SOCIAL DAY 2025 FOR THE CSR & QM TEAMS

At the start of June 2025, our CSR & QM teams went on their first *Team Social Day* at *youfarm* in Augsburg. This charitable project — a daycare center for school children with special needs — was arranged through the Augsburg Volunteer Center.

Working alongside a member of staff from the daycare center, our team spent a day building a long-awaited fire pit in the garden, while getting to know the facility and the work it does. Children's backpacks and sleeping bags were also donated to **youfarm**, which will benefit the children in future.





#### APPENDIX ABBREVIATIONS USED IN THE TEXT

ACT	Action, Collaboration, Transformation (Foundation)	FOA	Freedom of Association			
BPC	Brand Performance Check	FSML	Facility Social & Labour Module (Higg Index)			
BNE	Education for Sustainable Development	FWF	Fair Wear Foundation			
BNT	Partnership for Sustainable Textiles	FW 2023/24	Fall Winter 2023/24 Collection			
BSI	Federal Association of the German Sporting Goods Industry	FY	Financial Year			
CAP	Corrective Action Plan	GIZ	German Development Kooperation			
CCF	Company Carbon Footprint	GRS	Global Recycled Standard			
CDI	Center for Development and Integration	HRDD	Human Rights Due Diligence			
CFRPP	Common Framework of Responsible	IL0	International Labour Organization			
0.47	Purchasing Practices	KPI	Key Performance Indicator			
CMT	Cut, Make and Trim	LCA	Life Cycle Assessment			
COLP	Code of Labour Practices	LDPE	Low Density Polyethylen			
CO <sub>2</sub>	Carbondioxide	MRSL	Manufacturing Restricted			
CRP	Carbon Reduction Project		Substances List			
CSDDD	Corporate Sustainability Due Diligence	NGO	Non Governmental Organisation			
CCD	Directive  Corporate Social Responsibility	NUG	National Unity Government			
CSR DWR	Corporate Social Responsibility  Durable Water Repellent	OECD	Organization for Economic Cooperation and Development			
EHS	Environment, Health and Safety	OHS	Occupational Health and Safety			
EOCA	European Outdoor Conservation	PEF	Product Environmental Footprint			
	Association	PFAS	Per- and polyflorinated alkyl compounds			
EOG	European Outdoor Group	PTFE	Polytetrafluorethylen, Teflon			
ERT FEM	Emissions Reduction Team (deuter)  Facility Environmental Module (Higg Index)	RCP	Responsible Contracting Project			

RCS Recycled Claim Standard Responsible Down Standard RDS RSL **Restricted Substances List** Supply Chain Decarbonisation Project SCDP SDGS Sustainable Development Goals SME Small and medium-sized enterprises **\$\$2024** Spring Summer 2024 Collection T1, T2 Tier 1, Tier 2 **UNFCCC** United Nations Framework Convention on Climate Change WEPC Worker Empowerment and **Communications Training ZDHC** Zero Discharge of Hazardous Chemicals

#### DEUTER CODE OF CONDUCT & WHISTLE-BLOWER SYSTEM

Code of Conduct

Promise Policy mit Planet Guideline und People Guideline

Whistleblower System

#### LATEST REPORTS

Promise Report 23/24

Promise Report 22/23

# FOR MORE INFORMATION PLEASE CONTACT THE CSR TEAM:

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